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**Wholesale Electricity Market – Further Consultation Period  
submission on Procedure Change Proposals: Replaced PSOPs:  
Competitive Balancing and Load Following Market (PPCL0021,  
PPCL0022 & PPCL0023)**

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**Submitted by**

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<b>Date submitted:</b>	29 March 2012

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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 and IMO Market Procedures should be submitted to:

**Independent Market Operator**

Attn: Manager Market Development  
PO Box 7096  
Cloisters Square, Perth, WA 6850  
Fax: (08) 9254 4399  
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 11 March 2011 the Independent Market Operator (IMO) published, on behalf of System Management, the following Procedure Change Proposals:

- Replaced Power System Operation Procedures (PSOPs): Competitive Balancing and Load Following Market 1 (PPCL0021), covering the Dispatch and Communications and Control Systems PSOPs;
- Replaced PSOPs: Competitive Balancing and Load Following Market 2 (PPCL0022), covering the Power System Security and Ancillary Services PSOPs; and
- Replaced PSOPs: Competitive Balancing and Load Following Market 3 (PPCL0023), covering the Commissioning and Testing, Facility Outages and Monitoring and Reporting PSOPs.

System Management's proposed amendments are required for consistency with the Amending Rules resulting from the Rule Change Proposal: Competitive Balancing and Load Following Market (RC\_2011\_10), which is scheduled to come into effect on 1 July 2012. System Management's proposal also includes some minor and typographical amendments to improve the integrity of the PSOPs.

Given that System Management's Procedure Change Proposals were progressed in conjunction with RC\_2011\_10 and since the closure of the formal consultation process on the proposed replacement PSOPs, issues have arisen which System Management considered necessitated further changes to the proposals and therefore a further consultation process to be undertaken.

**The IMO's views**

The IMO supports System Management's decision to undertake a further round of consultation of the amended PSOPs.

The IMO has recorded its questions and suggestions for all relevant PSOPs that have been provided for further consultation in a Procedure Issue log. This log also contains those items identified during the Rules Development Implementation Working Group's review and consideration of the further amended PSOPs at the 22 March 2012 meeting. The IMO has provided a copy of the Procedure Issue log as Appendix 1 to this submission for System Management's consideration and response. The IMO also notes that it has a number of additional issues with the PSOP's which it would like to discuss directly with System



Management prior to their submission of the Procedure Change Reports for PPCL0021, PPCL0022 and PPCL0023.

Issue #	Priority (h, m, l)	Date Raised	Raised By	PSOP	Topic Area	Issue?	Comments	Supporting documents?	Updates/actions	Status Open/Parked/Closed	Date	PC ID
1			Matt Pember	Facility Outages	Heads of Power	PSOP should provide further details of the process that System Management follows in determining Forced and Consequential Outages for consistency with the heads of power provided under clause 3.21.12. For example how does System Management determine a partial Forced or Consequential Outage has occurred and how do they work out what the quantity of the Forced/Consequential outage is? How will Market Participants be informed as to whether System Management has determined that a Consequential Outage has or has not occurred? To whom to Market Participants provide their signed declaration that a Consequential Outage occurred to? Currently there is very limited process detail provided in the Market Procedure.	The IMO will be happy to work with System Management to determine additional process details that can be incorporated into the PSOP. The IMO considers that greater transparency of the process will clarify the requirements for both System Management and Market Participants and result in more efficient market processes			Open		
2			Matt Pember & RDIWG	Ancillary Services PSOP	Minimum Requirements	The minimum requirement of 20MW to participate in the LFAS market is too restrictive.	The 20MW minimum was set to reduce the number of facilities that may be activated for LFAs at any given time. SM have raised concerns regarding dead band issues, however the simplistic restrictions to try under avoid this issue may make it unfeasible for IPP's to participate in the market. An alternative option may be to limit the number of facilities selected to supply LFAS during an interval. (more info to be provided in a separate paper).  From RDIWG March 2012:  This is to ensure (assuming 90MW load following) that no more than 5 units will be allocated to LFAS otherwise the aggregate dead band (ie the combined total of all the LFAS allocated units MW dead band) will result in unacceptable frequency keeping. For example if have 9x 100MW units doing 10MW LFAS each, each unit has 2MW deadband (ie request to move by less than this amount wont result in movement) than aggregate deadband is 20MW (frequency			Open		
3			RDIWG March 2012	Dispatch PSOP	5.5 Non-scheduled forecasts	Consistency: Use of both intermittent and non-scheduled. 5.5.1 add "by SM".				Open		
4			RDIWG March 2012	Dispatch PSOP	6.1 Bona fida changes	Consistency: Use of MPI, portal, market system 6.1.2 Requirement for MPs to advise SM of reduced capability and then do on SMs market system (as well as Rule requirement to also update balancing bids/offers) seems excessive.	Verbal confirmation is required as can have real time impacts, electronic is required for confirmation (verbal can be misinterpreted, eg "I am 50MW capacity reduced" becomes "I have 50MW capacity"). Prior to receiving the updated BMO to reflect the new capacity, SM is required to dispatch as per the BMO (ie issue DI as per BMO capability) but with the verbal notification will deem any DI above this capability rejected and then issue DI to stated capability.			Open		
5			RDIWG March 2012	Dispatch PSOP	6.2 Facility commitment	Is a phone call for synch/desynch still necessary when SM issuing all dispatch? What happens with a plant on AGC? (ie is a phone call for synch/desynch still needed).	There is a rule requirement for this to occur plus it gives confidence to SM controller that the plant is ready plus encourages power station operator to SM controller communications.			Open		
6			RDIWG March 2012	Dispatch PSOP	6.6 Response to DIs, OIs and Dos	6.6.2: For transitional market SM need to give participants longer than 60sec to confirm acceptance. 6.6.2 Why do participants need to respond to a DI?	Clause 7.7.7 of the Amending Rules states that "a Market Participant must confirm receipt of the Dispatch Instruction or Operating Instruction".			Open		
7			RDIWG March 2012	Communications and control PSOP	general	Consistency: Use of MPI, portal, market system				Open		

8			RDIWG March 2012	Communications and control PSOP	2.1 Balancing Facility communications	Concern over requirement for B2B/SCADA (was previously preferential) and particularly timeframe to implement is December 5 2012 with very limited information presently available.	Recognition dispatch by email/SMS is not robust so improvement required. However need some flexibility for MPs who are unable to meet 5 December 2012 implementation, but need the bulk of generators to be on B2B/SCADA. There is the option for MP facilities to request special conditions if cant meet communication requirements however as this could have commercial implications this is unacceptable to MPs. Some MPs need B2B/SCADA specifications now in order to meet December 5.			Open		
9			RDIWG March 2012	Communications and control PSOP	2.2 Balancing Facilities with special conditions	Wording is confusing.	Intent is special condition facilities need portal, SMS/email and voice unless SM has direct control (and agrees to exemption) or has special bidding behaviour conditions imposed by the IMO.			Open		
10			RDIWG March 2012	Communications and control PSOP	2.5 Demand Side Programs	Requirement for dedicated 24x7 monitored (ie someone will answer) telephone contacts seems excessive when the demand side programs only have to operate during business hours.				Open		
11			RDIWG March 2012	Communications and control PSOP	3.0 Generators Operated by SM	What is an Operating Agreement. Template and/or definition needed.				Open		
12			RDIWG March 2012	Facility Outages PSOP	12 Submission of Forced Outages	Verve/Synergy do not come under the Corporations Act. May need to state "or equivalent".				Open		
13			IMO review during further consultation period	Dispatch PSOP		There appear to be some inconsistencies between SMS proposed dispatch process and the Market Rules in RC_2011_12. the IMO also questions some of SMS obligations they are placing on themselves and their ability to do so under the market rules.	The IMO will be happy to work with System Management to correct these inconsistencies prior to finalisation of the PSOPs.			Open		
14			IMO review during further consultation period	Ancillary Services PSOP		Does not indicate how SM will apply its decisions under under 2.34.7C(b). This is required under clause 7B.1.2 (c )				Open		
15			IMO review during further consultation period	Ancillary Services PSOP		The ancillary service PSOP does not indicate how SM will satisfy 7B.3.6. there is no requirement on SM to do this but it will enable MPs to have a greater understanding of the service they are expected to provide	This may require a change to the Market Rules to require this to occur			Open		
16			IMO review during further consultation period	Monitoring and Reporting PSOP		Appendix A does not adequately reflect new concepts of Operating Instructions and resource plan adherence				Open		
17			IMO review during further consultation period	Facility Outages PSOP		Section 6.2.2 restricts SMs ability to assess the outage plan to a narrower scope than that in the rules				Open		
18			IMO review during further consultation period	Communications and control PSOP		Details of where the AGC interface signal protocol can be found should be included				Open		
19			IMO review during further consultation period	Commissioning PSOP		The concepts of test windows and how it relates to the rigid test plan outlined in appendix A is uncertain	The IMO will be happy to work with System Management to clarify this relationship prior to the finalisation of the PSOPs.			Open		
20			IMO review during further consultation period	Commissioning PSOP		it is not clear how SM plans to issue Operating Instructions in regards to Commissioning Tests	The IMO will be happy to work with System Management to clarify this relationship prior to the finalisation of the PSOPs.			Open		