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# **DOCUMENT DETAILS**

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## INTRODUCTION

On 14 January 2009, the Independent Market Operator (IMO) published a Procedure Change Report from System Management regarding proposed amendments to the Power System Operating Procedure: Facility Outages.

Clause 2.10.14 of the Wholesale Electricity Market Rules (Market Rules) requires the IMO to make a decision as to whether to approve a Procedure Change Proposal published by System Management, within 10 Business Days of a Procedure Change Report being published.

This document, containing the IMO's decision on the Procedure Change Proposal "Power System Operating Procedure: Facility Outages", PPLC0003, is published as required under clause 2.10.15 of the Market Rules.

## THE IMO'S ASSESSMENT

IMO has assessed the proposed procedure changes contained in the Procedure Change Report and decided to approve the amendments to the procedure as proposed by System Management.

## THE IMO'S REASONS

The IMO has decided to approve the amendments to the procedure, as proposed by System Management, based on the IMO's assessment that the proposed changes are consistent with the Wholesale Market Objectives, the Market Rules, the *Electricity Industry Act 2004* and regulations made under the *Electricity Industry Act 2004*.

The Facility Outages Procedure was originally prepared prior to the commencement of the Wholesale Electricity Market (WEM). Consequently, System Management submitted that the amendments to the procedure were required to more accurately reflect System Management's performance of its functions and changes to the Market Rules which have occurred since commencement of the WEM on 21 September 2006.

The IMO considers that updating the Market Procedure ensures compliance with the Market Rules and greater transparency in System Management's performance of its required functions. The IMO therefore considers that the amendments to the procedure are consistent with the Wholesale Market Objectives.

In making its decision the IMO has also noted the process involved in producing the amended procedure:

 The amended procedure was developed in conjunction with the System Management Power System Operation Procedure Working Group (Working Group). This Working Group, consisting of Rule Participants, was appointed by the Market Advisory Committee (MAC) to assist System Management in considering, assessing and developing changes



to the System Management Market Procedures. At the 4 November 2008 meeting, the Working Group proposed the following amendments to the procedure, as originally proposed by System Management:

- Section 5.1.1: that it may be appropriate to include the term "...by exception" or "within a reasonable amount of time" or "reviewed from time to time".
- Section 5.2.1: Inclusion of "s" in 1 (d). SM agreed that it should read, "... in excess of 10MWs;"
- Section 5.2.1: Amendment to read "Notwithstanding requirement of the Market Rule the list of equipment should where applicable include:"
- Section 5.2.2: Removal of an apostrophe. System Management agreed that it should read, "... capacity rating less than 10MWs..."
- Section 9: System Management to consider including cost considerations as criteria for outage decisions.
- Section 12.3: Inclusion of further information with regard to the contact details.
  For example "...where contact details will be advised from time to time."
- Section 13.5: Inclusion of "... the authorised personnel included in the relevant contact list..." to ensure that the information is coming from an acceptable party
- System Management agreed to review section 12.3 in the old procedure which specifies 10am as the time. If no reason for the exclusion of this detail it should be included in the amended procedure
- Section 18.3: A change of wording from "must" to "should".
- System Management amended the sections as proposed by the Working Group. The changes were distributed to Working Group members for review out of session. No further changes were suggested. Therefore System Management proceeded to submit a formal Procedure Change Proposal.
- Following the publication of the Procedure Change Proposal on the IMO website on 14 January 2009, the proposal was subject to a 20 day public submission period. One submission was received from Landfill Gas and Power (LGP) during this period. In their submission, LGP stated that they accepted in good faith that the amended procedure represented a consensus outcome of the Power System Operation Procedure Working Group and was consistent with the Market Objectives. LGP did not suggest any further amendments to the procedure as proposed by System Management.
- Further suggestions to ensure that the proposed changes were consistent with the Market Rules were made informally by the IMO and incorporated into the final amended procedure submitted by System Management. In particular the IMO suggested amendments to ensure that the operation of MR3.18.3 is not altered by section 5.5.4.

# COMMENCEMENT

This amended Market Procedure will commence at 08.00am on 1 April 2009.

