

WA Independent Market Operator

Assessment of System Management's internal procedures and business processes with the Market Rules, and System Management's compliance with the Market Rules and Market Procedures

10 September 2008

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EXECUTIVE SUMMARY

This report sets out the results of the market audit by PA Consulting Group in carrying out its assessment of the compliance of System Management's internal procedures and business processes with the Market Rules, and System Management's compliance with the Market Rules and Market Procedures.

This market audit has been carried out under Market Rule 2.14.6 (b) which requires that

... the IMO must at least annually, and may more frequently where it reasonably considers that System Management may not be complying with the Market Rules and Market Procedures:

(a) require System Management to demonstrate compliance with the Market Rules and Market Procedures by providing such records as are required to be kept under these Market Rules or any Market Procedure or

(b) subject System Management to an audit by the Market Auditor to verify compliance with the Market Rules and Market Procedures.

PA has found that System Management has generally complied with its obligations under the Market Rules. A number of instances of non-compliance, which we believe to be not material, have however been noted.

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1. INTRODUCTION

The document sets out the results of the market audit by PA Consulting Group in carrying out its assessment of the compliance of System Management's Internal Procedures and business processes with the Market Rules, and System Management's compliance with the Market Rules and Market Procedures.

1.1 SCOPE OF THE MARKET AUDIT

This market audit has been carried out under Market Rule 2.14.6, which requires that:

- 2.14.6. In accordance with the Monitoring Protocol, the IMO must at least annually, and may more frequently where it reasonably considers that System Management may not be complying with the Market Rules and Market Procedures:
- (a) require System Management to demonstrate compliance with the Market Rules and Market Procedures by providing such records as are required to be kept under these Market Rules or any Market Procedure; or
 - (b) subject System Management to an audit by the Market Auditor to verify compliance with the Market Rules and Market Procedures.

1.2 MARKET AUDIT PROCESS

This year's market audit has taken the form of an "incremental" audit.

We have looked in detail at the clauses in the Market Rules and System Management Internal Procedures where:

- The clauses in the Market Rules are new or amended since last year's annual audit;
- Internal Procedures are new or updated since last year's annual audit;
- Internal Procedures relate to areas of non-compliance that were identified in last year's annual audit; and
- Internal Procedures relate to areas of alleged breaches of the Market Rules by System Management since last year's annual audit.

In essence, we have looked at areas that have changed (or should have changed) since last year's annual audit. Areas where the Internal Procedures and Market Rules have not changed, and where last year the Internal Procedure was found to comply with the Market Rules, will still be in compliance and we have deemed it unnecessary to assess in detail or comment on those areas in this audit report.

In conducting the market audit on the compliance of System Management with the Market Rules, PA has:

1. Ensured that it is up to date with its understanding of the West Australia Electricity Market Rules;

1. Introduction

2. Identified new or amended obligations placed on System Management by amendments to the Market Rules that have come into force since the previous market audit dated 1 September 2007;
3. Mapped those obligations identified in step 2 to the applicable Internal Procedures;
4. Identified new System Management Internal Procedures that are new or have been updated since the previous market audit dated 1 September 2007;
5. Identified System Management Internal Procedures that relate to areas of non-compliance identified in the previous market audit dated 1 September 2007;
6. Reviewed the System Management procedures identified in steps 3, 4 and 5 for compliance with the Market Rules;
7. Sought evidence that System Management is following those procedures so as to comply with the Market Rules;
8. Had discussions with System Management managers and staff to clarify issues identified; and then
9. Prepared a draft report setting out our findings followed by a final report.

There are limitations to any external audit. Audits are not an absolute guarantee of the truth or reliability of agency information or the effectiveness of internal controls. They may not identify all matters of significance. This is because external audit techniques involve:

- Professional judgement as to “good industry and market operational practice”
- The use of sample testing
- An assessment of the effectiveness of internal control structures and
- An assessment of risk.

A market audit does not guarantee every procedure and action carried out in the operation of the electricity market in the audit report, nor does it examine all evidence and every transaction. However, our audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the market audit report.

We also note that there is a high degree of compliance monitoring built into the market design. Should System Management not carry out a requirement of the Market Rules, those cases that are material will have affected either the IMO or market participants and will have been raised.

Where non-compliant procedures or actions are identified, these are classified as being:

- *Material*, in that they may affect decisions made by market participants or otherwise affect the outcome of the market, or
- *Non-material*, in that
 - they do not comply with the wording or the Market Rules but do comply with the intention of the Market Rules or
 - they do not comply with the Market Rules but they are not likely to affect decisions made by market participants or otherwise affect the outcome of the market.

1. Introduction

1.3 STATUS OF THE POWER SYSTEM OPERATIONAL PROCEDURES

This audit has relied primarily upon the System Management Internal Procedures rather than on the Power System Operational Procedures.

We understand that System Management intends to review the Power System Operational Procedures for their continued relevance as it believes that in their current form they do not provide a relevant basis for operation, either for System Management or for market participants. We have no view as to any outcome of this forthcoming review and are reporting on the present Power System Operational Procedures vis-à-vis the Market Rules.

Because of its pending review, System Management has generally not updated the Power System Operational Procedures since the commencement of the market. Therefore, several of the Power System Operational Procedures are now inconsistent with both System Management's practices and the Market Rules. Details of these inconsistencies are provided in Appendix B.

Although we note that System Management has now proposed to the IMO a date by which the Power System Operational Procedures will be updated, the fact that there has been no progress on updating these procedures for two years must be regarded as being a breach of the Market Rules.

1.4 ALLEGED BREACHES OF THE MARKET RULES BY SYSTEM MANAGEMENT

Under clause 2.14.7, the IMO must provide an annual report to the Minister which must contain, among other things, "the results of any investigations of System Management's compliance with the Market Rules and Market Procedures carried out by the IMO under clause 2.13.10(b)".

During the course of our discussions, System Management raised some concerns they have regarding the process undertaken by the IMO under clause 2.13.10 when determining whether alleged breaches of the Market Rules by System Management are in fact breaches. In particular, System Management believe that the IMO is not correctly taking into account Market Rule 2.12.3, which is set out below (emphasis added).

- 2.12.3. With the exception of the obligations listed in clause 2.12.4, where System Management has an obligation under these Market Rules to do something:
- (a) that obligation is **limited to a requirement for System Management to use reasonable endeavours** consistent with these Market Rules, including to give such directions or instructions as are within its power, to comply with that obligation; and
 - (b) if System Management fails to do that thing notwithstanding the use of System Management's reasonable endeavours, System Management will be taken not to have breached the obligation.

1. Introduction

In essence, the IMO has been determining that a breach of the Market Rules has occurred if the act required by the obligation is not fulfilled. It has not been making an assessment as to whether reasonable endeavours were used to attempt to fulfil the act required. We note that at the time the alleged breaches occurred, neither the IMO nor System Management were aware of the effect of clause 2.12.3. System Management became aware of its potential effect only a short time prior to the commencement of this audit, at which point they raised the issue with the IMO and the Market Auditor.

PA believes that by not applying the standard of performance required under clause 2.12.3, the IMO's investigation process is not compliant with the Market Rules. Further details relating to this can be found in the audit report entitled *Assessment of the IMO's internal procedures and business processes with the Market Rules, and the IMO's compliance with the Market Rules and Market Procedures*.

Because of this, in later chapters of this report where we comment on these incidents of 'breach', we refer to them as alleged breaches. We do not express an opinion as to whether System Management's conduct in the individual cases in the later chapters amounts to reasonable endeavours to comply with their obligations. This should be determined by the IMO in their investigations of the alleged breaches under clause 2.13.10.

1.5 STRUCTURE OF THIS REPORT

This report contains PA's analysis of the operation of System Management on a Market Rules chapter by chapter basis.

However, when considering the mapping of System Management procedures to the Market Rules, it is relevant that these procedures are written around functions performed by System Management, rather than directly around requirements of the Rules. By contrast, because the IMO's functions are defined by the nature of the Rules, its procedures are written to ensure compliance on a Rule by Rule basis.

Appendix A contains a summary table which updates the status of the issues raised in last year's audit report.

Appendix B notes the Power System Operational Procedures that are non consistent with amended clauses of the Market Rules.

Appendix C records the mapping of Market Rule obligations to the appropriate Market Procedures and System Management Internal Procedures.

1.6 ACKNOWLEDGEMENTS

PA would like to thank the managers and staff of System Management who willingly provided information and shared in discussions with us while we carried out this market audit.

2. MARKET RULE CHAPTER 1 – INTRODUCTION

Market Rule Chapter 1 sets out the Introduction to the Market Rules such as the objectives of the market, glossary and role of System Management.

2.1 DOCUMENTATION

There are no relevant Power System Operational Procedures and there are no Internal Procedures.

2.2 COMPLIANCE WITH CHAPTER 1

The obligations placed on System Management under Chapter 1 of the Market Rules relate to transitional matters or matters that expired at the Energy Market Commencement.

2.3 OPINION

System Management has no obligations under Chapter 1 of the Market Rules.

3. MARKET RULE CHAPTER 2 – ADMINISTRATION

Market Rule Chapter 2 sets out the Functions and Governance Rules which affect both the Market Development and Market Operations functions of System Management.

3.1 DOCUMENTATION

The following System Management Internal Procedures are new or updated since the previous market audit:

- Creating Procedure Change Proposals
- Monitoring the IMO's compliance regarding delivery of time-critical files to System Management
- Creation of Allowable Revenue Application
- Creation of System Managements Budget

3.2 AMENDMENTS TO CHAPTER 2

The following clauses in Chapter 2 which relate to System Management's obligations have been amended since the previous market audit:

- 2.13.9(a)

3.2.1 Clause 2.13.9(a)

Clause 2.13.9 sets out the clauses of the Market Rules for which System Management must monitor for breaches by Rule Participants. Clause 2.13.9(a) has been deleted, removing System Management's obligation to monitor for breaches of clauses 2.34.2, 2.34.2A and 2.34.3.

Last year's market audit identified that System Management was not monitoring for breaches of these rules as it did not have access to the required information. The deletion of clause 2.13.9(a) brings System Management's procedures into compliance with the Rules.

3.3 COMPLIANCE WITH CHAPTER 2

The procedures to be followed are fully documented and, if followed, should result in compliance with the Market Rules.

3.4 OPINION

System Management has complied with its obligations under Chapter 2 of the Market Rules.

4. MARKET RULE CHAPTER 3 – POWER SYSTEM SECURITY AND RELIABILITY

Market Rule Chapter 3 sets out the Power System Security and Reliability Rules which affect both the Market Development, Market Operations, System Planning and System Operations functions of System Management.

4.1 DOCUMENTATION

The following System Management Internal Procedures are new or updated since the previous market audit:

- Who may initiate a High Risk Operating State
- Who may initiate an Emergency Operating State
- Determining load shedding requirements and plans
- Determining whether an event is reportable/ Reporting to the IMO
- How System Management enters into an Ancillary Service Contract
- Updating the Equipment List
- How to determine whether a forced outage should be registered.
- Submission of Commissioning Plan Data by Participant.
- Medium Term PASA Publishing
- Short Term PASA Publishing
- How to accept or reject a generation outage
- How to coordinate outages between generation and transmission.
- How to approve or reject a generation outage
- How to approve or reject a transmission outage

The following Power System Operational Procedure is new since previous market audit:

- PSOP: System Restart Overview

4.2 AMENDMENTS TO CHAPTER 3

The following clauses in Chapter 3 which relate to System Management's obligations have been amended since the last annual audit:

- 3.4.1
- 3.5.1
- 3.11.8
- 3.11.8A
- 3.11.8B
- 3.16.4

4. Market Rule Chapter 3 – Power system security and reliability

- 3.16.9
- 3.17.5
- 3.17.9
- 3.18.11
- 3.19.6
- 3.21.6

4.2.1 Clauses 3.4.1 and 3.5.1

Clauses 3.4.1 and 3.5.1 relate to the circumstances under which the SWIS may be deemed to be in a High Risk or Emergency Operating State respectively. The amendments to the clauses widen the range of circumstance to include:

any other circumstance which would, in the reasonable opinion of System Management, (seriously)¹ threaten Power System Security or Power System Reliability.

System Management's Internal Procedures *Who may initiate a High Risk Operating State* and *Who may initiate an Emergency Operating State* have been updated to comply with these amendments.

4.2.2 Clauses 3.11.8, 3.11.8A and 3.11.8B

These clauses relate to entering into Ancillary Services Contracts.

The amendments separate Ancillary Services into two classes based on whether the Electricity Generation Corporation is the default provider of those Ancillary Services or not and provide conditions for entering into contracts for those classes of Ancillary Services. They also place an obligation on System Management to obtain prior approval of the Economic Regulation Authority before entering into a Dispatch Support Ancillary Services Contract.

System Management's Internal Procedure *How System Management enters into an Ancillary Service Contract* has been updated to reflect these amendments.

4.2.3 Clauses 3.16.4 and 3.17.5

Under these clauses Rule Participants are required to provide certain information to System Management who must monitor compliance under clause 2.13.9.

Last year's market audit identified that System Management had not been requiring Rule Participants to provide this information as the information was already provided through the outage planning process.

The amendments to these clauses allow System Management to instruct Rule Participants that it does not require the information to be provided, hence effectively

¹ "seriously" is included in the definition of Emergency Operating State and not included in the definition of High Risk Operating State.

4. Market Rule Chapter 3 – Power system security and reliability

relieving System Management of their monitoring obligation. System Management's procedures comply with the amended clauses.

4.2.4 Clauses 3.16.9, 3.17.9, 3.18.11 and 3.19.6

These clauses relate to the inclusion of Demand Side Management (DSM) in the Medium Term PASA, Short Term PASA and Outage Scheduling.

Last year's market audit identified that System Management was not including DSM in these processes, principally because it could not with certainty estimate the amount of DSM that would be available.

The amendments to these clauses now oblige System Management to include their reasonable forecast of DSM in the processes and System Management has advised that its reasonable forecast of DSM is zero.

This position has been adopted by System Management for several reasons:

- DSM has limited availability over longer periods, and there are restrictions on using certain types of DSM on consecutive days, or even during certain times of the day.
- DSM generally requires some varying period of advance notice to activate a contracted load reduction.
- The risks of over- and under-estimating the DSM capacity are non-symmetrical. Outages approved on the basis of over-estimated DSM capacity could lead to a capacity shortfall.

PA accepts that this is a reasonable forecast of DSM for the purposes which it is required. However, as more DSM facilities become available in the market, this position by System Management will become less tenable and we believe that System management should start moving to better manage and forecast the DSM available.

Nevertheless, we believe that System Management's procedures comply with the amended clauses.

4.2.5 Clause 3.21.6

Clause 3.21.6 is a new clause which clarifies the form of the outage data that System Management must provide to the IMO. System Management receives outage data from Market Participants on a MW sent out basis at 15°C ambient temperature and must convert that data to a MW sent out basis at 41°C ambient temperature basis before sending it to the IMO.

This process is handled by System Management's IT system and has been observed by PA to be in compliance with the Market Rules.

PA notes that on the day that this clause came in force there was an alleged breach of this clause by System Management. In particular, System Management incorrectly calculated outage data for the mothballed Muja 1-4 units. System Management was advised of the error and the process was corrected the following day and no further errors have occurred. PA considers this alleged breach to be not material.

4. Market Rule Chapter 3 – Power system security and reliability

4.3 COMPLIANCE WITH CHAPTER 3

The procedures to be followed are fully documented and, if followed, should result in compliance with the Market Rules. However, the areas of non-compliance shown below have been noted.

Clause	Non-compliance	PA comment
3.18.2 (f)	<p>Facilities on the List of Equipment must schedule outages in accordance with 3.19, 3.20, and 3.21. System Management must monitor compliance with this clause as required by MR 2.13.9.</p> <p>a) All scheduled generation facilities comply with this clause.</p> <p>b) All transmission facilities comply with this clause.</p> <p>c) DSM (with the exception of SIMCOA) and non-scheduled generators do not generally inform System Management when they suffer an outage. The unavailability of these facilities generally does not have a material impact on the operation and security of the SWIS. Further, as these facilities have a RCOQ of zero, System Management is not required to provide this outage data to the IMO.</p> <p>d) DSM (with the exception of SIMCOA) and non-scheduled generators also do not generally apply to schedule outages with System Management.</p>	<p>PA note that items (a) and (b) comply with the Market Rules.</p> <p>Items (c) and (d) relate to intermittent plant and DSM that are generally small in magnitude and which can be considered not to have a material effect on the scheduling and dispatch of the market.</p> <p>System Management is presently developing a tool that will make it easier for these Participants to apply for outages by having those outages automatically approved under certain conditions.</p> <p>PA considers this non-compliance as being not material.</p>
3.21.4	<p>Facilities on the List of Equipment must notify System Management of forced outages. System Management must monitor compliance with this clause as required by MR 2.13.9.</p> <p>a) Due to operational constraints and error margins, System Management only reports outages greater than 10 MW, and for at least one Trading Interval. This value was chosen for parity with the EGC compliance threshold (MR 7.6A).</p>	<p>See discussion in section 4.3.1.</p>

4.3.1 Clause 3.21.4

For practical reasons, System Management adopts a tolerance below which they do not report non-compliance by Participants. This is inconsistent with the Market Rules which do not provide for such a tolerance

PA considers this non-compliance as being not material.

PA notes that System Management does not agree with PA’s view that adopting a tolerance is non-compliant.

PA appreciates that the clause as it is written requires System Management to report any non-notification of an outage, irrespective of the size of that outage. System Management believes that such a requirement is not a satisfactory outcome as it requires (vis-à-vis System Management’s current practice) more effort on the part of both System

4. Market Rule Chapter 3 – Power system security and reliability

Management – informing the IMO of numerous small non-notified outages – and the IMO – investigating the non-notified outages –, for minimal additional benefit. If it is deemed that System Management’s current process is satisfactory, then PA suggests the a rule change be considered to bring the Rules in line with System Management’s practice.

4.4 OPINION

Although System Management generally complies with Chapter 3 of the Market Rules, we have noted two areas of not material non-compliance.

5. MARKET RULE CHAPTER 4 – RESERVE CAPACITY

Market Rule Chapter 4 sets out the Reserve Capacity Rules which affect both the Market Development and System Operations functions of System Management.

5.1 DOCUMENTATION

The following System Management Internal Procedures are new or updated since the previous market audit:

- How to notify IMO of details of (Reserve Capacity) Tests

5.2 AMENDMENTS TO CHAPTER 4

The following clauses in Chapter 4 which relate to System Management's obligations have been amended:

- 4.25.9

5.2.1 Clause 4.25.9

The clause relates to Reserve Capacity Testing and the amendment to this clause removes an issue that was identified during last year's annual audit.

System Management must now only inform the IMO that a test has been successfully performed, which System Management is able to do. Previously the obligation on System Management was to inform the IMO if the test was successful, but System Management did not have access to the required information to do this.

System Management's Internal Procedure *How to notify IMO of details of (Reserve Capacity) Tests* complies with the amended clause.

5.3 COMPLIANCE WITH CHAPTER 4

The procedures to be followed are fully documented and, if followed, will ensure compliance with the Market Rules.

5.4 OPINION

System Management comply with Chapter 4 of the Market Rules.

6. MARKET RULE CHAPTER 5 – NETWORK CONTROL SERVICE PROCUREMENT

Market Rule Chapter 5 sets out the Network Control Service Procurement Rules which affect both the Market Development, Market Operations, System Planning and System Operations functions of System Management.

6.1 DOCUMENTATION

The following System Management Internal Procedures are new or updated since the previous market audit:

- Calling on Registered Facilities under a Network Control Services Contract

6.2 AMENDMENTS TO CHAPTER 5

There have been no amendments to Chapter 5 which affect System Management's obligations under that chapter.

6.3 COMPLIANCE WITH CHAPTER 5

System Management now has an Internal Procedure covering the process it will follow when calling on Registered Facilities under a Network Control Services Contract. This, coupled with the Power System Operational Procedure: Dispatch, constitutes compliance with clause 5.7.4.

6.4 OPINION

System Management complies with Chapter 5 of the Market Rules.

7. MARKET RULE CHAPTER 6 – ENERGY MARKET

Market Rule Chapter 6 sets out the Energy Market Rules which affect both the Market Development, Market Operations, System Planning and System Operations functions of System Management.

7.1 DOCUMENTATION

There are no new or updated System Management Internal Procedures dealing with Chapter 6.

7.2 AMENDMENTS TO CHAPTER 6

There have been no amendments to Chapter 6 which affect System Management's obligations under that chapter.

7.3 COMPLIANCE WITH CHAPTER 6

The requirements on System Management consist of providing the IMO with data and requiring System Management comply with directions issued by the IMO as a part of a Market Advisory.

We have not been able to find any evidence of non-compliance with Chapter 6 of the Market Rules.

7.4 OPINION

System Management has complied with Chapter 6 of the Market Rules.

8. MARKET RULE CHAPTER 7 – DISPATCH

Market Rule Chapter 7 sets out the Dispatch Rules which affect the Market Development, Market Operations, System Planning and System Operations functions of System Management.

8.1 DOCUMENTATION

The following System Management Internal Procedures are new or updated since the previous market audit:

- How to monitor compliance with Resource Plans (After the Event)
- Issue a warning for Dispatch Deviation
- How to create the 7.12 Status Report
- Using the backup system to produce Resource SCADA Data
- Preparing and updating load forecasts

8.2 AMENDMENTS TO CHAPTER 7

The following clauses which relate to System Management's obligation under Chapter 7 of the Market Rules have been amended since last year's annual audit:

- 7.13.1
- 7.13.1A

8.2.1 Clauses 7.13.1 and 7.13.1A

These clauses relate to the provision by System Management to the IMO of settlement and monitoring data. The amendments resolve an issue relating to the timing of these obligations that was raised in last year's annual audit.

The outage schedule for all facilities and the non-compliance quantity of the Electricity Generation Corporation have been removed from the list of data that must be provided the following business day in clause 7.13.1. These two items have been placed in a separate clause 7.13.1A and the timeline for their provision has been extended to 15 business days.

This removes the issue noted last year where, in certain circumstances, System Management was required to provide the IMO with outage data before a Market Participant was required to have notified System Management of its outage.

System Management has updated its IT systems to give effect to this rule change. It has also put in place further measures to ensure Market Participants provide outage data to System Management in a timely manner.

8.3 ALLEGED BREACHES OF CHAPTER 7 OBLIGATIONS

8.3.1 Overview

In the period since last year’s annual audit, there have been several instances where System Management is alleged to have breached its obligations under Chapter 7 of the Market Rules. The obligations fall into three areas and are outlined in the table below.

In outlining the alleged breaches by System Management, we are conscious that the scope of this market audit, as stated in clause 2.14.6 (b) of the Market Rules is to “verify compliance [by System Management] with the Market Rules and Market Procedures”. Prima facie, this scope may be viewed as including verifying whether System Management has complied with the Market Rules in individual cases of alleged breach.

However, the responsibility for verifying whether System Management has complied with the Market Rules in individual cases of alleged breach is specifically placed upon the IMO under clause 2.13.10 as part of its investigation obligations. We do not believe clause 2.14.6 (b) should be viewed as either requiring or even permitting the Market Auditor to reinvestigate incidents of alleged breach.

In this market audit, because we believe that the IMO’s investigation process under clause 2.13.10 does not comply with the Market Rules (see Section 1.4), we will not rely on the results of the IMO’s investigations and will refer below to the incidents as ‘alleged breaches’.

Further, PA has been asked by System Management to note that in the incidents outlined in the table below, System Management does not believe that they breached the Market Rules as they believe they made reasonable endeavours to comply with their obligations. PA emphasises that it expresses no view in this matter.

8.3.2 Table of alleged breaches

Clause(s)	Description of obligation and alleged breach	PA comment
7.2.3B, 7.3.4	<p>System Management must provide the IMO with:</p> <ul style="list-style-type: none"> • a list of facilities that would provide ancillary services; and • a schedule of outages <p>by 8:30 each morning.</p> <p>On 13 July 2008, due to problems with System Management servers, this information was not provided by the required time.</p>	<p>The general comments in Section 8.3.1 apply to this incident.</p>
7.10.1, 7.10.5	<p>System Management must monitor Participant compliance with Resource Plans. If a Participant deviates from their Resource Plan, under certain circumstances System Management must warn the Participant and require the Participant to return to their Resource Plan.</p> <p>In two cases, alleged breaches by System Management occurred where a Participant deviated from its Resource</p>	<p>The general comments in Section 8.3.1 as well as the discussion in Section 8.3.3 applies to these incidents.</p> <p>PA also understands that System Management is considering proposing a</p>

8. Market Rule Chapter 7 – Dispatch

Clause(s)	Description of obligation and alleged breach	PA comment
	Plan.	Rule Change.
7.13.1	<p>System Management must provide the IMO with settlement data by noon on the following business day.</p> <p>On two occasions following a High Risk Operating State during the previous day, this information was not provided by the required time.</p> <p>Dispatch instructions are issued by telephone by System Management. Ordinarily, dispatch instructions are transcribed when issued. However during a High Risk Operating State, the control room staff often are not able to transcribe the instructions as they go due to the volume of instructions issued.</p> <p>Thus the instructions must be transcribed after the fact by listening to taped audio conversations between the control room and Market Participants. Because of the time taken to do this, System Management was not able to meet the deadline to provide the data to the IMO on these two occasions.</p>	The general comments in Section 8.3.1 apply to these incidents.

8.3.3 Participant deviation from a Resource Plan

Under clause 7.10.4, System Management must monitor Participant compliance with clause 7.10.1, which obliges a Participant to comply with its Resource Plan. Further, under clause 7.10.5, under certain circumstances System Management has further obligations.

System Management must warn the Market Participant about the deviation and request an explanation for the deviation; and cessation of the behaviour within a time that System Management considers reasonable.

There have been two incidents in the past year where System Management is alleged to have breached its obligations to monitor a Participant’s deviation from its Resource Plan and to instruct the Participant to return to its Resource Plan.

On 15 -16 October 2007 a Participant deviated from its Resource Plan. System Management was not aware of this at the time but discovered it using an ex-post check system that it has in place.

On 29 November 2007 another Participant deviated from its Resource Plan. On this occasion System Management noticed the deviation in real time and contacted the Participant to request an explanation. Nonetheless System Management is alleged to have breached its obligation because although it contacted the Participant, it failed to instruct the Participant to return to its Resource Plan.

As a result of these incidents, System Management has developed an automated tool that attempts to identify unapproved Participant deviations (as opposed to ramping, etc). This tool sends an email to the Participant informing them to contact the Control Centre immediately to explain their deviation.

Despite this automated tool, monitoring a Participant’s compliance with its Resource Plan in real time is a difficult exercise for System Management. The reasons for this include:

8. Market Rule Chapter 7 – Dispatch

- Generation units that provide load following and frequency keeping ancillary services are dispatched automatically. Because of this, an individual Participant's deviation from its Resource Plan will rarely manifest itself as under- or over-generation or as changes in system frequency.
- A Participant's Resource Plan obliges the Participant to generate a certain average quantity over a half hour period. Ramp rate constraints mean that a Participant often needs to under- and over-generate during that half hour period in order to achieve the required average generation for the half hour. In practice this means that System Management cannot necessarily determine a deviation from its Resource Plan for the half hour period simply by observing at a Participant's instantaneous generation.
- The SCADA data available to System Management to monitor a Participant's generation is only accurate to $\pm 1\%$, which can be a significant quantity for a large plant.

System Management have also expressed concern regarding the interpretation of the conditions under which their obligations under clause 7.10.5 arise.

- 7.10.5. Where System Management considers that a Market Participant has not complied with clause 7.10.1 in relation to any of its Registered Facilities in a manner that:
- (a) threatens Power System Security or Power System Reliability;
 - (b) would require System Management to issue instructions to the Registered Facilities of the Electricity Generation Corporation or Registered Facilities covered by any Balancing Support Contract or Ancillary Service Contract; or
 - (c) would require System Management to issue Dispatch Instructions to other Registered Facilities in accordance with clauses 7.6.3 or 7.6.4;

System Management must warn the Market Participant about the deviation and request an explanation for the deviation; and cessation of the behaviour within a time that System Management considers reasonable.

Having considered the effect of this clause, together with what appears to be its intention, PA considers that there are three reasons that deviations from the dispatch plan may occur.

1. The plant is supplying load following or frequency keeping ancillary services; or
2. The plant is ramping to its required dispatch plan output; or
3. The plant is for some other reason not following its dispatch plan.

The intention of this clause appears to be to catch plant which is in the third category such that their deviation requires System management to intervene to address the situation.

8. Market Rule Chapter 7 – Dispatch

If our interpretation of the intent of this clause is correct, for the avoidance of doubt, plant in the first two categories should be exempted from this clause.

8.4 COMPLIANCE WITH CHAPTER 7

The procedures to be followed are fully documented and, if followed, will ensure compliance with the Market Rules.

Minor areas of non-compliance noted are:

Clause(s)	Non-compliance	PA comment
7.6A.2 (c)	<p>System Management must provide a dispatch plan to Verve each day.</p> <p>a) System Management does not create a formal Dispatch Plan as defined in 7.6A.2 (c).</p> <p>b) System Management does produce a dispatch plan for Verve, which is varied by dispatch orders. The information is not recorded as a “plan”, but can be reconstructed by System Management should the need arise (such as an event that could endanger the SWIS).</p> <p>c) System Management is developing a tool to produce the Dispatch Plan. This is currently budgeted for 2008/09.</p>	See the discussion below in Section 8.4.1 on this point.

8.4.1 Non supply of a dispatch schedule to Verve Energy

Under Market Rule 7.6A2(c)

With respect to the scheduling of the Electricity Generation Corporation Facilities

(c) System Management must provide to the Electricity Generation Corporation by 12:30 PM on the Scheduling Day associated with a Trading Day:

- i. a forecast of the requirements for the Electricity Generation Corporation energy, being a forecast of the whole of system energy requirement less the aggregate Net Contract Positions of other Market Participants, for the Trading Day;
- ii. the Dispatch Plan for each Facility for the Trading Day;
- iii. a forecast of the detailed Ancillary Services required from each Facility;

where the format and time resolution of this data is to be described in a procedure.

As explained to PA, the key problem here is one of timing; that the fuel availability data required to produce the Dispatch Plan required is not available until after the deadline for sending the plan to Verve Energy. System Management agreed that that they could send an empty plan to Verve Energy so as to comply with the deadline but they would then be non-compliant in that the plan would not be a dispatch plan.

When this was raised with System management in the previous annual audit, we were advised that it would be developing a software tool in the 2008-9 year which will allow it to comply with this Market Rule. We have been advised that budgeting for this tool is in place.

8. Market Rule Chapter 7 – Dispatch

8.5 OPINION

Although System Management does not fully comply with Chapter 7 of the Market Rules, the area of non-compliance identified is not considered to be material.

9. MARKET RULE CHAPTER 8 – WHOLESALE MARKET METERING

Market Rule Chapter 8 sets out the Wholesale Market Metering Rules. These rules do not apply to System Management.

9.1 OPINION

System Management are not required to comply with Chapter 8 of the Market Rules.

10. MARKET RULE CHAPTER 9 – SETTLEMENT

Market Rule Chapter 9 sets out the Settlement Rules which affect the Market Development, Market Operations, System Planning and System Operations functions of System Management.

10.1 DOCUMENTATION

There have been no new or updated System Management Internal Procedures dealing with Chapter 9 since last year's annual audit.

10.2 AMENDMENTS TO CHAPTER 9

There have been no amendments to Chapter 9 which affect System Management's obligations since last year's annual audit.

10.3 COMPLIANCE WITH CHAPTER 9

The procedures to be followed are fully documented and, if followed, will ensure compliance with the Market Rules.

We have not found any evidence of non-compliance on the part of System Management.

10.4 OPINION

System Management has complied with Chapter 9 of the Market Rules.

11. MARKET RULE CHAPTER 10 – MARKET INFORMATION

Market Rule Chapter 10 sets out the Market Information Rules affect the Market Development, Market Operations, System Planning and System Operations functions of System Management.

11.1 DOCUMENTATION

There have been no new or updated System Management Internal Procedures dealing with Chapter 10 since last year's annual audit.

11.2 AMENDMENTS TO CHAPTER 10

There have been no amendments to Chapter 10 which affect System Management's obligations since last year's annual audit.

11.3 COMPLIANCE WITH CHAPTER 10

The procedures to be followed are fully documented and, if followed, will ensure compliance with the Market Rules.

11.4 OPINION

System Management has complied with Chapter 10 of the Market Rules.

APPENDIX A: STATUS OF ISSUES IDENTIFIED IN LAST YEAR'S ANNUAL AUDIT

Below we present a table commenting on the status of the issue we identified in last year's annual audit. The issues are given one of three statuses:

- **Clause amended** – the clause mentioned (or, in some cases, the clause which gives rise to the obligations under the clause mentioned) has been amended or deleted such that there is no longer an issue of non-compliance by System Management.
- **Procedure updated** – System Management have updated their procedures so that they are now in compliance with the Market Rules
- **Issue outstanding** – the issue identified in last year's annual audit remains. Further discussion on the issue can be found in the corresponding chapter in the main body of this audit report.

Clause	Brief description	Status
2.34.2A	Participants must revise Standing Data as soon as practical if the data is inaccurate. System Management must monitor compliance with this clause as required by MR 2.13.9. System Management does not have the ability to identify the correctness of any non-dispatch standing data (such as balancing prices or nominated maximum intermittent loads etc).	Clause amended
2.34.3	Participants must revise Standing Data in a certain format. System Management must monitor compliance with this clause as required by MR 2.13.9. System Management does not have the ability to identify the correctness of any non-dispatch standing data (such as balancing prices or nominated maximum intermittent loads etc).	Clause amended
3.16.4	Participants are required to provide information to System Management on a regular basis. System Management must monitor compliance with this clause as required by MR 2.13.9. System Management does not see a need to ensure Participants provide any information via this clause as they comply through the outage planning process.	Clause amended
3.16.9	Inclusion of DSM in MT PASA. SM doesn't include it as DSM not reliable.	Clause amended
3.17.1	PASA must be republished after a material change. SM was not complying with this clause.	Procedure updated
3.17.9	Inclusion of DSM in MT PASA. SM doesn't include it as DSM not reliable.	Clause amended
3.17.5, 3.17.6	Participants are required to provide information to System Management every Thursday. System Management must monitor compliance with this clause as required by MR 2.13.9. SMMITS provides ability to provide this info, however it is	Clauses amended

A: Status of issues identified in last year's annual audit

Clause	Brief description	Status
	already provided in outage process so SM have not placed much emphasis on compliance with these sections.	
3.17.9(h)	<p>System Management must include fuel restriction information in the ST PASA.</p> <p>System Management advises Participants of fuel restriction information via a Dispatch Advisory, and therefore there is no benefit for the published ST PASA to be updated, unless the fuel restriction is for an extended period.</p>	Clause amended
3.18.2(f)	<p>Facilities on the List of Equipment must schedule outages in accordance with 3.19, 3.20, and 3.21. System Management must monitor compliance with this clause as required by MR 2.13.9.</p> <p>Various issues relating outage scheduling and notification by DSM and non-scheduled generators.</p>	Issue outstanding
3.21.4	<p>Facilities on the List of Equipment must notify System Management of forced outages. System Management must monitor compliance with this clause as required by MR 2.13.9.</p> <p>Due to operational constraints and error margins, System Management only monitors for outages greater than 10 MW, and for at least one Trading Interval. This value was chosen for parity with the EGC compliance threshold (MR 7.6A).</p>	Issue outstanding
4.25.9 (e)	<p>System Management must inform the IMO whether a Reserve Capacity Test was successful.</p> <p>System Management are not able to comply with this rule.</p>	Clause amended
7.6A.2 (c)	<p>System Management must provide a dispatch plan to Verve each day.</p> <p>Fuel availability data required to produce the Dispatch Plan required is not available until after the deadline for sending the plan to Verve Energy.</p> <p>System Management advise that it will be developing a software tool in the 2008-9 year which will allow it to comply with this Market Rule."</p>	Issue outstanding
7.9.1 (b)	<p>Participants must notify System Management 5 minutes before synchronising. System Management has agreed to monitor this clause.</p> <p>System Management has an arrangement with all Participants that this notice should only be provided on an exception basis (i.e. if the scheduled time is varied).</p>	Procedure updated
7.9.5 (b)	<p>Participants must notify System Management 5 minutes before de-synchronising. System Management has agreed to monitor this clause.</p> <p>System Management has an arrangement with all Participants that this notice should only be provided on an exception basis (i.e. if the scheduled time is varied).</p>	Procedure updated

A: Status of issues identified in last year's annual audit

Clause	Brief description	Status
7.13.1 (e)	System Management must notify the IMO of outages in accordance with this clause. Participants often provide forced outage notifications to System Management outside of the time-frame indicated in MR 7.13.1.	Clause amended

APPENDIX B: THE STATUS OF THE POWER SYSTEM OPERATIONAL PROCEDURES

As outlined in Section 1.3, System Management intends to undertake a review of the Power System Operational Procedures (PSOPs) as it believes that in their current form they do not provide a relevant basis for operation. Pending this review, System Management has not updated the PSOPs to reflect amendments to the Market Rules.

Below we present a table setting out the changes to the Market Rules that ought to have given rise to changes to the PSOPs but have not.

Clause(s)	Brief description of the amendment	Relevant PSOP
2.13.9	Removes System Management's obligation to monitor compliance with clauses 2.34.2, 2.34.2A and 2.34.5	Monitoring and Reporting Protocol
3.4.1, 3.5.1	Allows System Management more flexibility when determining whether the SWIS is in a High Risk or Emergency Operating State	Power System Security
3.11.8, 3.11.8A, 3.11.8B	Relate to System Management entering into Ancillary Service Contracts	Ancillary Services
3.16.9	Obliges System Management to include their reasonable forecast of DSM in the MT PASA	MT PASA
3.17.9	Obliges System Management to include their reasonable forecast of DSM in the ST PASA	ST PASA
3.18.11, 3.19.6	Relate to System Management including their reasonable forecast of DSM when assessing outage requests	Facility Outages
4.25.9	System Management must notify the IMO if a Capacity Test has been successfully performed	Commissioning and Testing
7.13.1A	Certain Settlement and Monitoring Data must not be provided to the IMO 15 business days after the event (previously required the following business day)	Facility Outages

APPENDIX C: MAPPING OF SYSTEM MANAGEMENT MARKET RULE OBLIGATIONS TO POWER SYSTEM OPERATIONAL PROCEDURES AND INTERNAL PROCEDURES

C.1 CHAPTER 1

There are no obligations placed on System Management under Chapter 1.

C.2 CHAPTER 2

Clause	Obligation	Procedure
2.2	System management	
2.2.1	SM has overall function to operate the SWIS in a secure and reliable manner.	PSOP: Power System Security
2.2.2	SM has other general functions, namely: (a) procurement of adequate Ancillary Services where the Electricity Generation Corporation is unable to meet Ancillary Service Requirements (b) assisting the IMO in processing of applications for participation and for the registration, de-registration and transfer of facilities (c) development of Market Procedures (and related amendment or replacement), as required by the Market Rules (d) release of information, as required by Market Rules (e) monitoring compliance by Rule Participants with the Market Rules in respect of Power System Security and Power System Reliability and (f) carrying out any other functions or responsibilities conferred by the Market Rules.	PSOP: Ancillary Services PSOP: Commissioning and Testing PSOP: Communication and control systems PSOP: Monitoring and reporting protocol PSOP: Power system security PSOP: Monitoring and reporting protocol
2.2.3	SM may delegate any of its function(s) under the Market Rules to a person or persons who, in SM's <i>opinion</i> , is competent to carry out such function(s).	
2.5	Rule Change Proposals	
2.5.1	SM may make a Rule Change Proposal by submitting the relevant Rule Change Proposal Form to the IMO.	

Clause	Obligation	Procedure
2.9	Market Procedures	
2.9.2	SM must manage the development, and, where applicable, amendment and replacement of, Market Procedures required to be developed by System Management under the Market Rules.	PSOP: Ancillary Services PSOP: Commissioning and Testing PSOP: Communication and control systems PSOP: Monitoring and reporting protocol PSOP: Power system security PSOP: Monitoring and reporting protocol
2.9.7	SM must comply with any applicable Market Procedures.	
2.10	Procedure Change Process	
2.10.1	SM may initiate Procedure Change Process.	
2.10.3	If an Amending Rule requires System Management to develop new Market Procedures or to amend or replace existing Market Procedures, then the System Management, as applicable, is responsible for the development of, Chapter 2 amendment of or replacement for, Market Procedures so as to comply with the Amending Rule.	
2.10.4	Where the Procedure Change Proposal is developed by System Management, System Management must provide the Procedure Change Proposal to the IMO,.	
2.10.10	Following the closing date for submissions, the IMO or System Management, as applicable, must prepare a Procedure Change Report on the Procedure Change Proposal.	
2.10.11	Where the Procedure Change Report is prepared by System Management, System Management must provide the Procedure Change Report to the IMO.	
2.12	Standard of Performance	
2.12.3 (a)	Standard required for System Management responsibilities under Market Rules.	
2.13	Market Rule Compliance Monitoring and Enforcement	

Clause	Obligation	Procedure
2.13.6	<p>SM must monitor compliance by Rule Participants with the Market Rules in respect of:</p> <ul style="list-style-type: none"> (a) the specific Market Rules under 2.13.9 and (b) Market Procedures developed by SM. <p>SM must monitor Rule Participant compliance in accordance with the Monitoring and Reporting Protocol. Any alleged breach of the Market Rules and Market Procedures must be reported to the IMO.</p>	PSOP: Monitoring and Reporting, sections 3, 4 and 6
2.13.7.	System Management must ensure it has processes and systems in place to allow it to monitor Rule Participants' behaviour in accordance with clause 2.13.6.	PSOP: Monitoring and Reporting
2.14	Audit	
2.14.6	Where required by the IMO, System Management must demonstrate compliance with the Market Rules and Market Procedures (including being audited by the Market Auditor).	
2.15	Monitoring and Reporting Protocols	
2.15.4	SM must develop and implement a Monitoring and Reporting Protocol.	PSOP: Monitoring and Reporting Protocol
2.16	Monitoring the Effectiveness of the Market	
2.16.7	Where requested, System Management must provide information to the Economic Regulation Authority as part of its Marketing Monitoring function.	
2.19	First Stage Dispute Resolution	
2.19.1	SM may issue Notice of Dispute to a party (or parties) involved in such dispute.	
2.21	Market Consultation	
2.21.3	SM must consult on such matters, with such people and over such timeframes as specified under the Market Rules.	
2.23	Determination of System Management's budget	

Clause	Obligation	Procedure
2.23.3	SM must seek approval of its Allowable Revenue from the Economic Regulation Authority for each Review Period.	
2.23.5	SM must prepare a budget proposal for <u>each</u> of the services carried out by it under clause 2.23.1 by 30 April each year.	
2.23.8	SM must apply to the Economic Regulation Authority where a budget proposal is likely to result in revenue recovery (over the relevant Review Period) more than 15% above the Allowable Revenue determined by the Economic Regulation Authority.	
2.23.9	SM must provide a copy of the budget proposal to the IMO by 30 April each year.	
2.23.11	SM must provide the (finalised) budget to the IMO.	
2.28	Rule Participants	
2.28.3	SM must inform the IMO that it has determined that it does not require information about the relevant network to maintain Power System Security and Power System Reliability.	
2.28.14	No requirement for System Management to register as a Rule Participant.	
2.30	Facility Aggregation	
2.30.11(b)	SM must follow documented Registration Procedure when processing applications for facility aggregation and disaggregating previously aggregated facilities.	
2.30A	Exemption from Funding Spinning Reserve	
2.30A.6(b)	SM must follow the documented Market Procedure when processing applications for exemption from Spinning Reserve.	
2.31	Registration Process	

Clause	Obligation	Procedure
2.31.8	SM must allow a facility holding an Arrangement for Access to operate tests required under such arrangement.	PSOP: Commissioning and Testing, section 4.2
2.31.22(b)	SM must facilitate participation by an approved application in a Rule Participant class or Facility Class as soon as practicable.	
2.31.23(c)	SM must assist the IMO in relation to documenting the registration, de-registration and transfer process in accordance with the applicable Registration Procedure.	
2.34	Standing Data	
2.34.10	SM must notify the IMO as soon as practicable where it becomes aware that a Rule Participant's Standing Data is inaccurate (or will become inaccurate in the future).	
2.34.15	SM must commence using Standing Data (or revised Standing Data) as soon as it is received from the IMO.	
2.35	Dispatch Systems Requirements	
2.35.4	SM must document the communications and control system requirements necessary to support the dispatch process in the Power System Operation Procedure.	PSOP: Communication and Control Systems

C.3 CHAPTER 3

Clause	Obligation	Procedure
3.2	Technical Envelope, Security and Equipment Limits	
3.2.2	SM must record Equipment Limit information in accordance with the Power System Operation Procedure.	

Clause	Obligation	Procedure
3.2.4	SM must record Security Limit information in accordance with the Power System Operation Procedure.	
3.2.6	SM must establish and modify the Technical Envelope in accordance with clause 3.2.5 and the Power System Operation Procedure.	
3.2.7	SM must develop a Power System Operation Procedure.	
3.2.8	SM must operate the SWIS in accordance with the Power System Operation Procedure and the Technical Envelope for the applicable SWIS Operating State.	
3.3	Normal Operating State	
3.3.1	Power of System Management to determine when the SWIS is in a Normal Operating State.	
3.3.2	SM must do, or must not do, certain things when the SWIS is in a Normal Operating State.	
3.3.3	SM may include guidelines in the Power System Operation Procedure describing matters it will take into account in making a determination under clause 3.3.1 in respect of a Normal Operating State.	
3.3.4	SM shall determine when the SWIS is in a High Risk Operating State.	
3.4	High Risk Operating State	
3.4.2	SM must do, or must not do, certain things when the SWIS is in a High Risk Operating State.	PSOP: Security, section 7.2
3.4.3	SM may take certain steps when the SWIS is in a High Risk Operating State.	PSOP: Security, section 7.2.4
3.4.4	SM may take such other actions as it considers are required to return the SWIS to a Normal Operating State.	PSOP: Security, section 7.2.4
3.4.5	SM must return the SWIS from a High Risk Operating State to a Normal Operating State as soon as it is able.	PSOP: Security, section 7.2.1

Clause	Obligation	Procedure
3.4.9	SM may include guidelines in the Power System Operation Procedure describing matters it will take into account in making a determination under clause 3.4.1 in respect of a High Risk Operating State.	PSOP: Security, section 7.1.1
3.5	Emergency Operating State	
3.5.1	SM shall determine when the SWIS is in an Emergency Operating State.	PSOP: Security, section 8.1
3.5.3	Prohibition on System Management taking any actions that, in its <i>opinion</i> , would be reasonably likely to lead to an Emergency Operating State.	
3.5.4	SM <u>must not</u> require Registered Facilities to operate inconsistently with the Security Standards or their Equipment Limits during an Emergency Operating State.	PSOP: Security, section 8.3.3.c
3.5.5	SM may take certain steps when the SWIS is in an Emergency Operating State.	PSOP: Security, section 8.3.4
3.5.6	SM must return the SWIS from an Emergency Operating State to a Normal Operating State as soon as it is able.	PSOP: Security, section 8.3.1
3.5.7	SM must attempt to operate the SWIS during an Emergency Operating State such to minimise disruption to: (a) electricity supply and (b) the implementation of Resource Plans received from the IMO, as is reasonably practicable in the circumstances.	PSOP: Security, section 8.3.3
3.5.11	SM may include guidelines in the Power System Operation Procedure describing matters it will take into account in making a determination under clause 3.5.1 in respect of an Emergency Operating State.	PSOP: Security, section 8.1
3.6	Demand Control	
3.6.1	SM must determine the aggregate requirements for automatic under frequency load shedding in accordance with the SWIS Operating Standards.	PSOP: Security, section 10
3.6.3	SM must ensure that operational plans have the approval of the IMO.	
3.6.4	SM must inform all Network Operators of its operational plans for under frequency load	PSOP: Security, section 10

Clause	Obligation	Procedure
	shedding.	
3.6.6	SM must make plans for manual load shedding and inform Network Operators of these plans.	PSOP: Security, section 10
3.6.6A	SM shall issue manual disconnection directions to Network Operators.	
3.7	System Restart	
3.7.1	SM must make operational plans and preparations to restart the SWIS in the event of system shutdown.	PSOP: Security, section 10.6
3.7.2	SM must restart the SWIS in the event of system shutdown.	PSOP: Security, section 10
3.8	Investigating Incident in the SWIS	
3.8.1	SM must notify the IMO of any incidents relating to the operation of any equipment which forms part of the SWIS.	POSP: Monitoring and Reporting, section 7.2
3.8.2(c)	SM must comply with any reporting request by the IMO in respect of an incident notified to the IMO under clause 3.8.1.	POSP: Monitoring and Reporting, section 8.3
3.10	Ancillary Service Standards	
3.10.1	The standard for Load Following Service is a level which is sufficient to:	PSOP Power System Security 10.1
3.10.2	The standard for Spinning Reserve Service is a level which satisfies the following principles:	PSOP Power System Security 10.2
3.10.4	The standard for Load Rejection Reserve Service is a level which satisfies the following principles:	PSOP Power System Security 10.4
3.10.5	SM may reduce the level of Load Following Service, Spinning Reserve Service and Load Rejection Reserve Service.	PSOP Power System Security 10.1
3.11	Determining & Procuring Service Requirements	
3.11.1	SM must determine all Ancillary Service Requirements in accordance with the SWIS	PSOP: Ancillary Services

Clause	Obligation	Procedure
	Operating Standards and the Ancillary Service Standards.	
3.11.2	SM must update Ancillary Service Requirements on an annual basis.	PSOP: Ancillary Services, section 4
3.11.3	SM must reassess the level of the Ancillary Service Requirements for an Ancillary Service.	PSOP: Ancillary Services, section 4.5
3.11.6	SM must submit Ancillary Service Requirements to the IMO for approval.	PSOP: Ancillary Services, section 4.3.4
3.11.7	SM must make an annual Ancillary Services plan indicating how the Ancillary Service Requirements will be met.	PSOP: Ancillary Services, section 5
3.11.8	SM may enter into an Ancillary Services Contract with a Rule Participant (other than the Electricity Generation Corporation).	PSOP: Ancillary Services, section 6
3.11.8A	SM may contract for Load Rejection Reserve, System Restart and Dispatch Support Ancillary Services	Internal Process: 3.11: How System Management enters into an Ancillary Services contract
3.11.8B	SM must obtain ERA approval before entering into an Ancillary Service Contract for Dispatch Support Ancillary Services	Internal Process: 3.11: How System Management enters into an Ancillary Services contract
3.11.10	SM must report specific details of an Ancillary Service Contract to the IMO.	PSOP: Ancillary Services, section 6.2
3.11.11	SM must report annually to the IMO in respect of Ancillary Services and Ancillary Service Requirements.	http://www.imowa.com.au/Attachments/AncillaryServicesReport2007.PDF
3.11.14	SM must document certain procedures, and ensure these procedures are followed, in respect of Ancillary Services and Ancillary Service contracts in the Power System Operation Procedure.	PSOP: Ancillary Services
3.12	Ancillary Service Dispatch	
3.12.1	SM must schedule and dispatch facilities to meet the Ancillary Service Requirements in each Trading Interval.	
3.15	Review of Ancillary Service Requirements Process and Standards	
3.15.1	SM must assist the IMO with its intermittent study in respect of Ancillary Service	

Clause	Obligation	Procedure
	Standards and the basis for setting Ancillary Service Requirements.	
3.16	Medium and Short Term Planning	
3.16.1	SM must carry out a Medium Term PASA study.	Internal Procedure: Medium Term PASA Publishing
3.16.3	SM must use the data assembled for the Medium Term PASA study to assist with certain functions.	Internal Procedure: Medium Term PASA Publishing
3.16.8	SM must review information provided by Rule Participants in accordance with 3.16.4, and, where necessary, seek additional information or clarification.	Internal Procedure: Medium Term PASA Publishing
3.16.9	SM must provide the IMO with information developed as a result of its monthly Medium Term PASA study.	Internal Procedure: Medium Term PASA Publishing
3.16.10	SM must document the procedure in relation to Medium Term PASA studies in the Power System Operation Procedure and ensure such procedure is followed by it.	Internal Procedure: Medium Term PASA Publishing
3.17	Short term PASA	
3.17.1	SM must carry out a Short Term PASA study and provide the results of this to the IMO.	Internal Procedure: Short Term PASA Publishing
3.17.4	SM may use the Short Term PASA study to assist in certain functions.	Internal Procedure: Short Term PASA Publishing
3.17.9	SM must ensure that the results of the Short Term PASA study provided to the IMO include the information required by the IMO.	Internal Procedure: Short Term PASA Publishing
3.17.10	SM must document the procedure in relation to Short Term PASA studies in the Power System Operation Procedure and ensure such procedure is followed by it.	Internal Procedure: Short Term PASA Publishing
3.18	Outage Scheduling	
3.18.2	SM must compile a list of all equipment on the SWIS that is required to be subject to outage scheduling by SM.	PSOP: Facility Outages, section 4.1
3.18.A2	SM must record any Planned Outage proposed by a Market Participant.	PSOP: Facility Outages, section 9.2
3.18.3	SM must remove any item of equipment from the list compiled in accordance with	

Clause	Obligation	Procedure
	3.18.2 where it is directed to do so by the IMO.	
3.18.4	SM must maintain an outage schedule containing information on all scheduled outages.	PSOP: Facility Outages, section 7.1
3.18.5A	SM must prioritise Outage Plans of Market Participants according to time of receipt.	
3.18.5C	SM may require Market Participants to coordinate the timing of their outages when developing Outage Plans which would otherwise unduly impact the operation of one or more Market Participant Registered Facilities.	
3.18.7A	SM may reject an Outage Plan submitted within six weeks of the commencement time of the outage with evaluation.	PSOP: Facility Outages, section 9.4.1
3.18.10	SM must use a risk assessment process to evaluate Outage Plans.	PSOP: Facility Outages, section 12
3.18.11A	SM may relax the Ready Reserve Standard requirements.	PSOP: Facility Outages, section 10.10
3.18.13	SM's conduct in respect of the acceptance of an Outage Plan after evaluation.	PSOP: Facility Outages, section 10.4
3.18.14	SM must use specific criteria where agreement has not been reached between SM, Network Operators and Market Participants in respect of an Outage Plan under clause 13.18.13(d).	PSOP: Facility Outages, section 10.6
3.18.15	SM must submit records to the IMO where a Market Participant or Network Operator has applied to the IMO for reassessment regarding the non-scheduling or removal of an Outage Plan from SM's outage schedule.	
3.18.16	SM must otherwise coordinate with Network Operators and Market Participants on a best endeavours basis where an Outage Plan is deemed unacceptable for an alternative time for the relevant outage.	PSOP: Facility Outages, section 10.8.4
3.18.17	SM must keep records of all outage evaluations and decisions made by it under clause 3.18.	PSOP: Facility Outages, section 16.2
3.18.18	SM must assist the IMO with an intermittent review of the outage planning process against the Wholesale Market Objectives.	

Clause	Obligation	Procedure
3.18.21	SM must document the procedure in relation to conducting outage planning Power System Operation Procedure and ensure such procedure is followed by it.	PSOP: Facility Outages
3.19	Outage Approval	
3.19.3	SM must assess any request by a Market Participant or Network Operator for approval of a Scheduled Outage or Opportunistic Maintenance.	Internal Procedure: How to approve or reject a generation outage
3.19.5	SM must reject a Scheduled Outage or Opportunistic Maintenance previously approved by it where a change in power system conditions makes it necessary to do so.	
3.19.6	SM must apply specific criteria when considering approval of any Schedule Outages or Opportunistic Maintenance.	
3.19.7	SM must negotiate with a Market Participant or Network Operator on a best endeavours basis to find an alternative time for an outage rejected.	
3.19.13	SM must keep records of all its outage evaluations and decisions (together with related reasons for each) and submit these to the IMO.	
3.19.14	SM must document the procedure in relation to conducting final approval of outages in the Power System Operation Procedure and ensure such procedure is followed by it.	
3.20	Outage Recall	
3.20.1	SM may direct a Market Participant or Network Operator that a Facility or item of equipment be returned to service from Planned Outages.	
3.21	Forced Outages	
3.21.3	SM must keep a record all Forced Outages and Consequential Outages.	PSOP: Facility Outages, section 14.3
3.21A	Commissioning Tests	
3.21A.3	SM must only approve a Commission Test for new generating systems which is expected to be registered as Scheduled Generators or existing Scheduled Generators	PSOP: Commissioning and Testing, section 6.0.2

Clause	Obligation	Procedure
	which have undergone significant maintenance.	
3.21A.9	SM must notify a Market Participant that it has approved a Commissioning Test within 10 Business Days.	PSOP: Commissioning and Testing, section 6.3.4
3.21A.11	SM must notify a Market Participant that it has delayed or cancelled a Commission Test.	PSOP: Commissioning and Testing, section 6.4.1
3.21A.15	SM must document the procedure it follows in scheduling Commissioning Tests in the Power System Operation Procedure and ensure such procedure is followed by it.	PSOP: Commissioning and Testing
3.21B	Decommitment and Reserve Capacity Obligations	
3.21B.3	SM must assess any request for permission by a Market Participant to put a Scheduled Generator holding Capacity Credits into a state where it will take more than four hours to re-synchronise.	PSOP: Dispatch, section 12.3.1.c
3.21B.6	SM must negotiate with a Market Participant where it has not approved a request under 3.21B.3 on a best endeavours basis to find an alternative time for the Scheduled Generator to be put into a state where it will take more than four hours to re-synchronise.	PSOP: Dispatch, section 12.3.1.f
3.21B.8	SM must document the procedure it follows in granting approval in accordance with clause 3.21B in the Power System Operation Procedure and ensure such procedure is followed by it.	PSOP: Dispatch, section 12.3
3.22	Settlement Data	
3.22.2	SM must provide specific information to the IMO where it has entered into an Ancillary Contract with a Rule Participant.	
3.22.3	SM must provide specific information to the IMO for each Rule Participant holding an Ancillary Service Contract for a Trading Month where it has entered into an Ancillary Contract with a Rule Participant.	

C.4 CHAPTER 4

Clause	Obligation	Procedure
4.11	Setting Certified Reserve Capacity	
4.11.1(h)(i)	SM must work with the IMO where the IMO seeks to consult with it in respect of whether to refuse or grant Certified Reserve Capacity.	
4.24	Supplementary Reserve Capacity	
4.24.18	SM must follow the procedure documented by the IMO in relation to Supplementary Capacity Contracts in the Reserve Capacity Procedure.	
4.25	Testing, Monitoring and Compliance	
4.25.2(b)	SM must comply with any requirements of the IMO in respect of verifying Reserve Capacity Obligations of a Facility.	
4.25.4	SM must comply with any requirements of the IMO in respect of a Facility which has failed a Reserve Capacity test under clause 4.25.2(b).	
4.25.6	SM must comply with any requirement of the IMO to perform a single re-test of Reserve Capacity where a Market Participant has requested the IMO to require System Management to carry out such test.	
4.25.8	SM must notify the IMO within one Business Day where the IMO has requested a test be carried out in accordance with clause 4.25.5 that it can carry out the test within the timeframe stipulated by the IMO without endangering Power System Security and Power System Reliability.	
4.25.9	SM must conduct any Reserve Capacity test under clause 4.25.6 according to specific requirements.	Internal Procedure: How to notify IMO of details of Tests
4.25.14	SM must follow the procedure documented by the IMO in relation to performing Reserve Capacity tests in the Reserve Capacity Procedure.	

Clause	Obligation	Procedure
4.26	Financial Implications of Failure to Satisfy Reserve Capacity Obligations	
4.26.5(b)	System Management must provide the temperatures described in clause 4.26.5(a)(ii) for a Trading Month to the IMO not later than two Business Days prior to the relevant Non-STEM Settlement Statement Date.	
4,27	Reserve Capacity Performance Monitoring	
4.27.6	SM must work with the IMO where the IMO seeks to consult with it in respect of the implications of any Capacity Credit report provided by a Market Participant.	
4.27.12	SM must follow the procedure documented by the IMO in relation to Reserve Capacity monitoring in the Reserve Capacity Procedure.	
4.28A	Intermittent Load Refunds	
4.28A.2(b)	SM must provide temperatures to the IMO for generating systems where the daily maximum temperature is measured by the SCADA system operated by SM.	

C.5 CHAPTER 5 NETWORK CONTROL SERVICES PROCUREMENT

Clause	Obligation	Procedure
5.5	Contract Conditions	
5.5.2	SM must work with the IMO where the IMO seeks to consult with it in developing or amending standard contractual terms relating to Network Control Service Contracts.	
5.5.4	SM must work with the IMO where the IMO seeks to consult with it before entering into a Network Control Service Contract which varies substantially from the terms of the standard form.	
5.7	Network Control Service Dispatch	

Clause	Obligation	Procedure
5.7.2	System Management may call upon the relevant Facility to provide services under a Network Control Services Contract in accordance with the terms of the contract.	
5.7.4	System Management must document the procedure it will follow in calling on Registered Facilities to provide services under Network Control Service Contracts in the Power System Operation Procedure, and System Management must follow that documented Market Procedure when calling on Registered Facilities to provide services under Network Control Service Contracts.	

C.6 CHAPTER 6 THE ENERGY MARKET

Clause	Obligation	Procedure
6.13	Real Time Dispatch Information	
6.13.1	SM must provide the IMO with dispatch data for settlement purposes.	
6.14	Calculation of MCAP, UDAP and DDAP	
6.14.4	SM must provide the IMO with the Operational System Load Estimate for a Trading Interval so that it may use this as part of calculating the Marginal Cost Administered Price, Upwards Deviation Administered Price and Downwards Deviation Administered Price for the purposes of the STEM.	
6.19	Market Advisories and Energy Price Limits	
6.19.7	SM must comply with directions issued by the IMO as part of any Market Advisory.	
6.19.9	SM must advise the IMO if they become aware of any circumstances that might reasonably be expected to result in the IMO issuing a Market Advisory.	
6.19.10	System Management must follow documented Market Procedure after the IMO has issued a relevant Market Advisory	

C.7 CHAPTER 7 DISPATCH

Clause	Obligations	Procedure
7.1	Data Used in the Dispatch Process	
7.1.1	SM must maintain specific data in order to determine which Dispatch Instructions it will give.	398290 Maintain Loss Factor information
7.1.2	SM must continually modify its records of the data required under clause 7.1.1 to reflect any changes it becomes aware of.	
7.2	Load Forecasts and Ancillary Service Requirements	
7.2.1	SM must prepare Load Forecasts.	PSOP: Dispatch, section 4.1, 5.1 3957525: Preparing and updating load forecasts 3952147: Preparing list of Ancillary Service daily requirements (7.23A)
7.2.3	SM must update the Load Forecast for a Trading Day to be used in the dispatch process, as applicable.	PSOP: Dispatch, section 7.1
7.2.3A	SM must determine an estimate of Loss Factor and a list of Facilities for each Market Participant which is a provider of Ancillary Services.	PSOP: Dispatch, section 4.5.1
7.2.3B	System Management must provide: (a) the information determined in clauses 7.2.1(a) to the IMO by 7:30 AM on the Scheduling Day and (b) the information determined in clauses 7.2.3A to the IMO by 8:30 AM on the Scheduling Day.	PSOP: Dispatch, section 4.1.9, 4.5.5
7.2.4	SM must determine the actual quantity of Ancillary Services required by location for each Trading Interval of the Trading Day.	

Clause	Obligations	Procedure
7.2.6	SM must only use forecasts provided by Market Generators for each of its Intermittent Generators under clause 7.5.5 to set and revise requirements for Ancillary Service and to update its dispatch plans during the Trading Day.	PSOP: Dispatch, section 4.3.4
7.3	Outages	
7.3.1	SM must take account of Planned Outages in determining Dispatch Instructions.	
7.3.2	SM must take account of a Forced Outage or Consequential Outage (from the time it is notified of such outage) in determining Dispatch Instructions.	
7.3.4	SM must provide the IMO with a schedule of Planned Outages, Forced Outages and Consequential Outages for each Registered Facility it is aware of.	PSOP: Dispatch, section 4.6.1
7.4	Resources Plans	
7.4.2	SM must confirm receipt of a Resource Plan provided by the IMO within five minutes of receiving the plan.	PSOP: Dispatch, section 4.7.2 3803962: Confirming receipt of Resource Plans
7.4.4	SM may request a Market Participant confirm that it is able to conform to its Resource Plan for the relevant Trading Intervals.	PSOP: Dispatch, section 4.7.5
7.5	Dispatch Merit Orders and Fuel Declarations	
7.5.2	SM must confirm receipt of Dispatch Merit Orders and Fuel Declarations provided by the IMO within five minutes of receiving the orders/declarations.	PSOP: Dispatch, section 4.8.2 3803981: Confirming receipt of DMO and Fuel Declarations.
7.5.6	SM must retain a record of all notifications from a Market Participant (other than the Electricity Generation Corporation) in respect of a change of fuel for a Scheduled Generator.	PSOP: Dispatch, section 7.2.9
7.5.7	SM must, for the purposes of employing Dispatch Merit Orders, assume that a Facility is operating on the fuel indicated for that Facility in the applicable Fuel Declaration.	
7.6	The Dispatch Criteria	

Clause	Obligations	Procedure
7.6.1	SM must seek to meet certain criteria in relation to scheduling and dispatching the Registered Facilities of the Electricity Generation Corporation and issuing Dispatch Instructions to other Market Participants.	PSOP: Dispatch, section 6.2.1
7.6.2	SM must schedule and dispatch the Registered Facilities of the Electricity Generation Corporation and Registered Facilities covered by any Balancing Support Contract or Ancillary Service Contract such to implement Resource Plans it has received from the IMO for Market Participants other than the Electricity Generation Corporation.	PSOP: Dispatch, section 8.3.1
7.6.2A	SM must employ reasonable endeavours to minimise, and/or take certain factors into account where the Dispatch Criteria requires it to alter the Dispatch Plan of the Electricity Generation Corporation.	
7.6.3	SM may issue Dispatch Instructions to Market Participants other than the Electricity Generation Corporation where meeting the requirements under clause 7.6.1 would otherwise require System Management to use Liquid Fuelled Facilities of the Electricity Generation Corporation.	
7.6.4	SM must issue Dispatch Instructions to Market Participants other than the Electricity Generation Corporation where the use of Registered Facilities of the Electricity Generation Corporation would not allow it to implement Resource Plans for Market Participants in accordance with the criteria in clause 7.6.1.	PSOP: Dispatch, section 8.4.1.b
7.6.5	SM must cancel any Dispatch Instruction issued in accordance with clauses 7.6.3 and 7.6.4 where the circumstances underlying the dispatch of the instructions have changed.	PSOP: Dispatch, section 9.5.1
7.6.5A	SM must ensure it does not issue a Dispatch Instruction solely because a Market Participant has notified it of a change in fuel in accordance with clause 7.5.4.	
7.6.6	SM may issue Dispatch Instructions to Market Participants other than the Electricity Generation Corporation.	PSOP: Dispatch, section 8.2.1
7.6.7	SM may enter into Balancing Support Contracts with Market Participants other than the Electricity Generation Corporation to assist it in meeting its obligations under chapter 7.	

Clause	Obligations	Procedure
7.6.8	Where System Management has entered into a Balancing Support Contract, System Management must report the capacity contracted and the terms for calling on the capacity to the IMO.	
7.6.9	Where System Management has entered into a Balancing Support Contract, System Management must report the capacity contracted and the terms for calling on the capacity to the IMO.	
7.6.10	SM may issue directions to the Curtailable Load in accordance with the Reserve Capacity Mechanism.	
7.6.11	SM may call upon the relevant resource to provide service under any Supplementary Capacity Contract in accordance with the terms of the contract.	
7.6.12	SM may give a direction to a Market Participant (other than the Electricity Generation Corporation) in respect of a Scheduled Generator or Non-Scheduled Generator registered by the Market Participant in relation to the reactive power output of the Facility.	PSOP: Dispatch, section 9.10 NOTE: does not mention non-EGC
7.6.13	SM must document the procedure it follows when scheduling or dispatching Registered Facilities covered by any Balancing Support Contract or Ancillary Service Contract in the Power System Operation Procedure and ensure such procedure is followed by it.	
7.6A	Scheduling and Dispatch of the Electricity Generation Corporation	
7.6A.2(b)	SM must provide the Electricity Generation Corporation with a forecast of total system demand for the Trading Day.	PSOP: EGC Dispatch, section 6.1
7.6A.2(c)	SM must provide the Electricity Generation Corporation certain other information by 12.30 pm on the Scheduling Day associated with a Trading Day.	PSOP: EGC Dispatch, section 6.2
7.6A.2(e)	SM must either confirm the Dispatch Plan under sub-clause 7.6A.2(c) or notify the Electricity Generation Corporation of changes to the plan (including forecast fuel requirements reflecting any changes required to accommodate Resource Plans or changes in conditions).	PSOP: EGC Dispatch, section 6.3

Clause	Obligations	Procedure
7.6A.2(f)	SM must change a Dispatch Plan where is becomes aware of a change of conditions which materially impact the Dispatch Plan.	PSOP: EGC Dispatch, section 6.3.1
7.6A.3	SM conduct in respect of <u>dispatch</u> of Electricity Generation Corporation Facilities during a Trading Day.	PSOP: EGC Dispatch, section 7
7.6A.4	SM conduct in respect to the dispatch <u>compliance</u> of the Electricity Generation Corporation.	PSOP: EGC Dispatch, section 8
7.6A.5	SM responsibility in respect of administration and reporting of dispatch.	PSOP: EGC Dispatch, section 9
7.6A.6	SM must retain all records, including minutes of meeting, created as a result of clause 7.6A.	PSOP: EGC Dispatch, section 9.2.5
7.6A.7	SM must document the procedures it and the Electricity Generation Corporation must follow in relation to clause 7.6A in the Power System Operation Procedure and ensure it follows such procedure.	PSOP: EGC Dispatch
7.6A.8.	Commercially sensitive information of the Electricity Generation Corporation must not be included in the Power System Operation Procedure.	PSOP: EGC Dispatch, section 10
7.6A.9	System Management must obtain the approval of the IMO prior to the confidential procedure described in clause 7.6A.8, or any amendments to that private procedure, being enacted.	
7.7	Dispatch Instructions	
7.7.1	SM may issue a Dispatch Instruction to a Market Participant (other than the Electricity Generation Corporation) directing the Market Participant to vary the output or consumption of one of its Registered Facilities.	PSOP: Dispatch, section 9.1.1
7.7.4	SM must determine which Facilities will be affected by Dispatch Instructions (by applying the relevant Dispatch Merit Order required).	PSOP: Dispatch, section 9.1.2
7.7.4A	SM must select Curtailable Loads from the Dispatch Merit Order in accordance with the Power System Operations Procedure.	

Clause	Obligations	Procedure
7.7.5	A Dispatch Instruction for a Trading Interval must not be issued earlier than 2:00 PM on the Scheduling Day for the Trading Day on which the Trading Interval falls or later than the end of the Trading Interval.	PSOP: Dispatch, section 9.3.1
7.7.5A	SM must calculate the quantity (for that part of the Dispatch Instruction Payment detailed under clause 6.17.6(c)(i)) of a Non-Scheduled Generator for each Trading Interval.	PSOP: Dispatch, section 10.4.3
7.7.5C	The Power System Operation Procedure must specify that actual wind data for the site of a wind farm and the number of turbines operating, if made available by a Market Participant to System Management, are sufficient to allow System Management to determine what the output of a wind farm would have been had no Dispatch Instruction been issued.	PSOP: Dispatch, section 10.4.1.2
7.7.5D	SM must determine the quantity for a Curtailable Load for each Trading Interval (for the purposes of clause 6.17.6(d)(i)) as equivalent to the curtailment requested by System Management in its Dispatch Instructions.	
7.7.6	SM must issue a Dispatch Instruction by telephone to the relevant Market Participant.	PSOP: Dispatch, section 9.7.1
7.7.8	SM must record all Dispatch Instructions.	PSOP: Dispatch, section 9.7.6
7.7.9	SM must document the procedure it and Market Participants are required to follow in respect of forming, issuing, recording, receiving and confirming Dispatch Instructions (and determining the quantities described in clauses 7.7.5A and 7.7.5D) in the Power System Operation Procedure.	
7.8	Dispatch Instructions Implemented by SM	
7.8.1	SM may, by agreement with a Market Participant, maintain operational control over aspects of a Registered Facility.	PSOP: Dispatch, section 13.2
7.8.2	The maintenance of operational control of a Registered Facility by System Management does not remove the obligation on System Management to produce Dispatch Instructions for those Registered Facilities.	PSOP: Dispatch, section 13.3

Clause	Obligations	Procedure
7.9	Commitment	
7.9.3	SM may request a Market Participant who has provided confirmation of synchronisation of a Scheduled Generator to provide further notification to it immediately before such synchronisation.	PSOP: Dispatch, section 12.1.3
7.9.4	SM must grant a Market Participant permission to synchronise (subject to certain conditions).	PSOP: Dispatch, section 12.1.5
7.9.7	SM may request a Market Participant who has provided confirmation of desynchronisation of a Scheduled Generator to provide further notification to it immediately before such synchronisation.	PSOP: Dispatch, section 12.2.4
7.9.8	SM must grant a Market Participant permission to desynchronise (subject to certain conditions).	PSOP: Dispatch, section 12.2.7
7.9.12	SM must record any desynchronisation of a Facility undertaken by a Market Participant (notwithstanding that System Management refused permission for this) as a Forced Outage.	PSOP: Dispatch, section 12.2.11
7.10	Dispatch Compliance	
7.10.4	SM must monitor the behaviour of Market Participants with Registered Facilities to assess whether they are complying with clause 7.10.1 in accordance with its Monitoring and Reporting Protocol.	PSOP: Dispatch, section 11.1.4, PSOP: EGC Dispatch section 8.1 3754202: How to monitor compliance with Resource Plans 3841520: Issue a warning for dispatch deviation
7.10.5	System Management must warn the Market Participant about the deviation and request an explanation for the deviation; and cessation of the behaviour within a time that System Management considers reasonable.	PSOP: Dispatch, section 11.1.5, PSOP: EGC Dispatch section 8.2
7.10.7	SM may take certain action where a Market Participant does not comply with a request issued by it under clause 7.10.5.	PSOP: Dispatch, section 11.1.8-9, PSOP: EGC Dispatch section 9.2.1
7.11	Advisories, Balancing Suspension and Reporting	

Clause	Obligations	Procedure
7.11.2	SM may issue a Dispatch Advisory for future potential events if it considers that there is a high probability that the event will occur within 48 hours of the time of issue.	PSOP: Dispatch, section 14.1.3 3754204: How to issue and cancel Dispatch Advisories
7.11.3	SM must issue a Dispatch Advisory as soon as practicable after it becomes aware of the situation requiring release of the advisory.	PSOP: Dispatch, section 14.1.5
7.11.4	SM must inform Market Participants, Network Operators and the IMO of the withdrawal of a Dispatch Advisory as soon as practical once the situation that the Dispatch Advisory relates to has finished.	PSOP: Dispatch, section 14.1.7
7.11.5	SM must release a Dispatch Advisory in the event, or in anticipation of, certain situations.	PSOP: Dispatch, section 14.2
7.11.6A	SM may issue directions as if a Dispatch Advisory had been issued in the event of a High Risk Operating State or an Emergency Operating State provided that it informs the relevant Market Participant or Network Operator of the applicable operating state as soon as practical.	PSOP: Dispatch, section 14.3.3
7.12	Status Reports	
7.12.1	SM must provide a report to the IMO every three months on the performance of the market in relation to the dispatch regime.	PSOP: Monitoring and Reporting, section 9.1 3867902: How to create the 7.12 Status Report
7.13	Settlement and Monitoring Data	
7.13.1	SM must provide specific data to the IMO for a Trading Day.	PSOP: Data Cleansing, section 1
7.13.1A	SM must provide certain days 15 Business Days after the Trading Day	
7.13.2	SM must maintain systems capable of providing the data described in clause 10.5.1(y) to the Market Web Site as soon as practicable following the completion of a Trading Interval.	

C.8 CHAPTER 9 SETTLEMENT

Clause	Obligation	Procedure
9.1	Introduction	
9.1.2(c)	A Rule Participant makes a taxable supply to another Rule Participant or person under these Market Rules, the other Rule Participant or person must also pay the first Rule Participant making the supply an additional amount equal to the GST payable in respect of that supply	
9.1.2(e)	Rule Participants must, if requested by the IMO, do everything necessary (including the entering into of recipient created tax invoice agreements) to enable the IMO to issue valid tax invoices, recipient created tax invoices and adjustment notes in respect of all taxable supplies made by or to the IMO under these Market Rules	
9.20	Notices of Disagreement	
9.20.3	If a Rule Participant fails to receive a confirmation in accordance with clause 9.20.2, then it must contact the IMO within one Business Day of the deadline for receipt of the confirmation described in clause 9.20.2 to appraise the IMO of the failure of the IMO to confirm receipt and, if necessary, to make alternative arrangements for the submission of the Notice of Disagreement.	
9.20.5(c)	SM must investigate and provide a response to the IMO where the IMO requests it to do so after receiving a Notice of Disagreement from a Rule Participant in respect of a Settlement Statement.	
9.22	Invoicing and payment	
9.22.5	Unless otherwise authorised by the IMO, all Rule Participants must use the EFT facility nominated by the IMO under clause 9.22.4 for the purpose of settlements under these Market Rules and the payment of Market Participant Fees to the IMO to the extent nominated by the IMO.	
9.22.6	If an Invoice indicates that a Rule Participant owes an amount to the IMO, then the	

Clause	Obligation	Procedure
	Rule Participant must pay the full amount to the IMO (in cleared funds) by 10 AM on the date specified in the Invoice in accordance with clause 9.16.1(b), 9.16.2(e), and 9.16.4(d) (as applicable), whether or not it disputes the amount indicated to be payable.	
9.23.3	If a Rule Participant becomes aware that a suspension event has occurred in relation to it, then the Rule Participant must promptly notify the IMO, giving full details of the event.	

C.9 CHAPTER 10 INFORMATION POLICY

Clause	Obligation	Procedure
10.3	The Market Web Site	
10.1.2	Rule participants to retain data in accordance IMO list	
10.2.4	A Rule Participant must not provide information or documents of a given confidentiality status to any person	
10.2.6	A Rule Participant may disclose information or a document	
10.3.3	SM may agree to the IMO delegating authority to it to directly post information or documents on the Market Web Site which it is required to provide the IMO under the Market Rules.	N/A
10.3.5	SM must comply with any protocol documented in a Market Procedure by the IMO in respect of the IMO or System Management changing the Market Web Site.	