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Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the Independent Market Operator) may make a Rule Change Proposal by completing a Rule Change Proposal Form and submit this to the Independent Market Operator (IMO).

The IMO will assess the proposal and, within 5 Business Days of receiving the Rule Change Proposal Form, will notify the proponent whether the Rule Change Proposal will be progressed further.

In order for the proposal to be progressed the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the Wholesale Market Objectives. The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system:
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors:
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

A Rule Change Proposal can be processed using a Standard Process or a Fast Track Process. The Standard Process involves a combined 10 weeks public submission period, while the Fast Track Process involves the IMO consulting with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.



## The Submission

Alinta submitted, on 26 June 2007, a Rule Change Proposal regarding a change to Appendix 5 of the Wholesale Electricity Market Rules.

This Rule Change Notice is published according to Market Rule 2.5.7, which requires the IMO to publish a notice within 7 Business Days of receiving a Rule Change Proposal.

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Organisation: Alinta Sales Pty Ltd

Date submitted: 26/06/2007

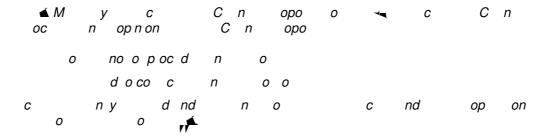
Urgency:

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The IMO has decided to proceed with this proposal on the basis that the IMO's preliminary assessment indicated that the proposal is consistent with the Market Objectives.

The IMO has decided to process this Rule Change Proposal using the Fast Track Process, described in section 2.6 of the Wholesale Electricity Market Rules.

## Clause 2.5.9 states:



The IMO has conducted its own analysis, which has largely confirmed Alinta's findings. The current Appendix 5 could give rise to disproportionally high IRCRs for new interval meters and create an undue cost for retailers successfully competing for customers. This has the potential to discourage competition among retailers and negatively impact on the effectiveness of the electricity market operations. The change is, therefore, considered to be urgently needed in order to facilitate market effectiveness and avoid further undue costs for retailers competing for existing or new customers.

The projected timelines for processing this proposal are:

• This Rule Change Notice published 04/07/2007

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