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1. INTRODUCTION

1.1. General Information about Rule Changes

Clause 2.1 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 submitting this to the Independent Market Operator (IMO)

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 electricity 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 East interconnected system
- b to encourage competition among generators and retailers in the South East 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 East interconnected system
- 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 12 weeks public submission period. Under the shorter Fast Track process the IMO consults with Rule Participants who either advise the IMO that they wish to be consulted or the IMO considers have an interest in the change.

1.2. About this Rule Change

On 2 September 2017, Synergy submitted a Rule Change Proposal titled "Amendment to Business Day Convention".

The Proposal was processed using the Fast Track Rule Change Process, described in section 2 of the Wholesale Electricity Market Rules. The Fast Track Process was used as the proposal satisfied the requirements of clause 2.4 of the Market Rules.

The Fast Track Process adheres to the following timelines, outlined in section 2 of the Market Rules

- Within 1 Business Days of a Rule Change Notice being published, the IMO must notify any Rule Participants that the IMO intends to consult regarding the Rule Change
- Within 1 Business Days of the Rule Change Notice being published, any Rule Participant wishing to be consulted may contact the IMO to request consultation on the Rule Change
- Within 1 Business Days of the Rule Change Notice being published, all consultations must be concluded
- Within 2 Business Days of the Rule Change Notice being published, the IMO must publish a Final Rule Change Report

The key dates in processing this Rule Change Proposal were

- The Rule Change Notice for this Proposal was published on the IMO website on 2 October 2017
- The IMO notified interested parties it wished to consult regarding the Rule Change on 2 October 2017
- Consultations on the Rule Change Proposal were completed on 1 October 2017
- This Final Rule Change Report was published on 2 October 2017

This Final Rule Change Report on the Rule Change Proposal has been prepared by the IMO in accordance with clause 2 of the Market Rules

Based on its analysis against the Market Objectives and the responses received from interested parties, the IMO's decision is to accept the Rule Change in the form outlined in this Final Report

The amendments to clause 11.1c and to the definition of Business Day in the Glossary in Chapter 11 of the Wholesale Electricity Market Rules will commence at a time on 1 November 2017

2. THE RULE CHANGE PROPOSAL

2.1. *The Submission*

~~540)230 Tf 09940 01 0.05 39.0~~ 1(a)

3. RULE PARTICIPANTS CONSULTED

For this Rule Change, the IMO notified the following interested parties of its intention to consult

- Alcoa World Alumina Australia
- Alinta Sales Pty Ltd
- Barrick Kanowna Limited
- Bioenergy Limited
- Economic Regulation Authority
- Eneasta Gas Pty Ltd
- Griffin Energy
- Karara Energy Pty Ltd
- Landfill Gas and Power Pty Ltd
- Mount Herron Engineering
- NewGen Power Kwinana Pty Ltd
- Newmont Australia Ltd
- Office of Energy
- Perth Energy Pty Ltd
- Premier Power Sales Pty Ltd
- Synergy Energy
- System Management
- TransAlta Energy
- Verve Energy
- Westa Power Ventures
- Waste Gas Resources Pty Ltd
- Water Corporation
- Western Australia Bioass Pty Ltd
- Balcoback and Brown
- Western Power Corporation

In addition to the IMO's notification, an invitation for Rule Participants to contact the IMO, should they wish to be consulted on this Rule Change, was published on the IMO website on 2 October 2017

The IMO requested the interested parties to provide their views on the Rule Change in writing

The IMO received responses from Landfill Gas and Power and System Management. Below is a summary of the received feedback

3.1. Market Advisory Committee

The Market Advisory Committee (MAC) was invited to review the Proposal at its meeting on 1 October 2017

MAC was in general support of the proposal by Synergy, but suggested an alternative approach to the drafting. It suggested that instead of inserting a new rule 1.1, that the words proposed for that new clause could be used instead to amend the definition of Business Day in the Glossary in Chapter 11

4. THE IMO'S ASSESSMENT AND DECISION

4.1. Assessment

4.1.1. Consultations

All parties responding to IMO's request for consultation expressed support for System Management's proposal. No party expressed any concerns or proposed any changes to the proposed amendments to the Market Rules.

4.1.2. The IMO's Assessment

According to clauses 2.2 of the Market Rules *"the IMO must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives"*.

The IMO assessment against each of the Market Objectives is as follows:

(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system

Assessment: It is important that the market can settle in accordance with the timelines prescribed in the Market Rules. By ensuring that no settlement date is scheduled when Austraclear is closed due to a public or bank holiday in New South Wales, this change will ensure that the settlement timelines in the Rules can be followed.

The IMO considers that the proposed changes are consistent with the operation of objective a of the Market Objectives. In its submission, Landfill Gas and Power supported this assessment.

(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors

Assessment: The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective b of the Market Objectives.

(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

Assessment: The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective c of the Market Objectives.

(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system

Assessment The IMO considers that the proposed changes do not impact on, and therefore are consistent with, the operation of objective c of the Market Objectives

(e) to encourage the taking of measures to manage t

5. AMENDING RULES

The following clauses will be amended as follows ~~deleted wording~~, new wording

Amended clause 1.4.1(c)

- 1.1 In these Market Rules, unless the contrary intention appears
- a **Glossary** a word or phrase listed in the Glossary in Chapter 11 has the meaning given in the Glossary
 - b **day** a day means a calendar day
 - c ~~Blank **business day** a business day means a day that is not a Saturday, Sunday or a public holiday throughout eastern Australia~~
- Balance of clause not changed

Amended Definition of Business Day in the Glossary

Business Day: A day that is not a Saturday, Sunday, or a public holiday throughout eastern Australia For the purpose of clauses 1.1, 1.2 e and 1.4, a Business Day is a day that is not a Saturday, Sunday, or a public holiday including a bank holiday throughout eastern Australia and or Sydney New South Wales