

Independent Market Operator

Independent Market Operator (IMO) is a company that is responsible for the operation of the electricity market.

IMO is responsible for the operation of the electricity market, including the following:

• Balancing the electricity market

• Clearing the electricity market

• Settling the electricity market

• Monitoring the electricity market

• Reporting on the electricity market

• Providing information to the public

• Providing information to the regulator

• Providing information to the courts

• Providing information to the media

• Providing information to the public

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1. INTRODUCTION

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:

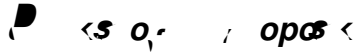
- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating 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.

2. THE RULE CHANGE PROPOSAL

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Wesfarmers Premier Power Sales (Premier Power) submitted, on 13 September 2007, a Rule Change Proposal regarding changes to clause 4.28.8 in the Wholesale Electricity



Premier Power proposes to amend the Market Rules to change the timelines related to consideration of Non Temperature Dependant Load (NTDL).

Under the Market Rules, the IMO determines and publishes an initial Individual Reserve Capacity Requirement (IRCR) for each Market Customer on the last Business Day falling on or before 10 September of each year.

To assist the IMO in determining these initial IRCRs, Market Customers, by the last Business Day falling on or before 20 August, provide to the IMO:

- a list of interval meters associated with that Market Customer that the Market Customer wants the IMO to treat as NTDLs;
- details of any Demand Side Management (DSM) measures that the Market Customer has implemented since the previous Hot Season, including the expected MW reduction in peak consumption resulting from those measures; and
- nominations of capacity requirements for Intermittent Loads.

Once the initial IRCR's are determined and published, every month between 1 October and 30 September of the Reserve Capacity year, the IMO updates the values of each Market Participant's IRCR. However, the current rules do not provide Market Customers with the ability to nominate NTDLs or DSM measures for the purpose of these monthly IRCR updates.

Premier Power is concerned that it is not currently possible to nominate a load as non-temperature dependant upon its churn during a Reserve Capacity year. Premier Power submits that so far the only opportunity to make this nomination, in accordance with the Market Rules, was prior to market start. In addition, 5-0.297393()-80.917881(e)1.32101(r)6.71788()

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3. WHETHER THE PROPOSAL WILL BE PROGRESSED FURTHER

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 proposal will be progressed according to the Standard Rule Change Process

