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1.3. **The Proposal and the Wholesale Market Objectives**

NewGen submits that the Rule Change Proposal will have the following impact on the market objectives⁴

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

Making another liquid fuel economically viable will increase potential fuel diversification which in turn may increase reliability.

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

No change, apart from introducing diversity into upstream fuel supply.

- (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;*

Greenhouse gas emissions associated with LNG are 11%-28% lower than emissions associated with the range of Liquid Fuels as presently defined. The proposed rule change will remove the current discrimination against using this cleaner fuel type by making it economic to use. Further details of the environmental credentials claimed by NewGen are set out in

The IMO has decided to proceed with this proposal on the basis that the IMO's

ALL

The IMO is seeking submissions regarding this proposal. The submission period is six weeks from the publication date of this notice. Submissions must be delivered to the IMO by close of business on

The IMO prefers to receive submissions by email to using the submission form available on the IMO website http://www.imowa.com.au/10_5_1_MarketRulesChangeSummary.html

Submissions may also be sent to the IMO by fax or post, addressed to

Independent Market Operator
Attn Manager Market Administration
PO Box 70 6
Cloisters Square, Perth, WA 6850

Fax (08) 254 43

NewGen proposes the following amendments to the Market Rules (~~deleted words,~~
added words)¹

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Means distillate, fuel oil¹

Market Rule 2.5.1 of the Wholesale Electricity Market Rules (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 proposal form, will notify the proponent whether the 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