

(c) to encourage the taking of measures to manage the amount of electricity used and when it is used.



y

Appendix 8 of the Wholesale Electricity Market (WEM) Rules (Market Rules) outlines

122

— y (for
clarity, please use the current wording of the Rules and place a
~~strikethrough~~ where words are deleted and underline words added)

Producers (IPPs) could directly supply customers whose demand exceeds the contestability threshold level. One requirement placed upon IPPs was that they balance their generation output with their load demands at all times. This required investment in load following equipment that made supply to smaller customers, those with demand less than a few megawatts, uneconomic. In recognition that perfect balancing was not possible, some tolerance was permitted but any imbalance beyond relatively low levels could incur significant costs.

In November 2002, Government accepted a recommendation from the Electricity Reform Task Force that Western Power be required to provide an improved transitional balancing

