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- (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

Declaration of Independent Member

C De e e conce n e e e n M e i e e o e d e e d
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Background

Chapter of the Market Rules prescribes a strict timetable for the events leading up to the



length of the Bilateral Submission window (seven days and minutes) the IMO would expect Bilateral Submissions to be firmed up closer to the close of the Bilateral Submission window. Thus, if the IMO experiences a system failure just prior to the window closure, a Market Generator may be unable to make an updated Bilateral Submission that accurately reflects its final contract position.

The problem affects the accuracy of the Bilateral Submission quantities for both the Market Generator and its bilateral contract partners. This inaccuracy will then result in STEM prices not reflective of the conditions expected for the Trading Day. This STEM outcome will affect most Market Participants. Any attempts to compensate through adjustments to STEM submissions are complex, prone to error, and if incorrect, may have unforeseen impacts on the calculation of STEM clearing prices.

Proposed

It is proposed that the timelines for the Bilateral Submission window and the publication of Bilateral Submission quantities be added to the set of timelines that can be delayed by up to two hours in the event of an IMO system failure.

Commentary on the Proposed Rule Change

Verve Energy proposes that this Rule Change Proposal be progressed through the Standard Rule Change Process.

Comments on the Proposed Rule Change (for clarity, please use the current wording of the Rules and pla



C Decrease in proposed Market Clearing Price of Wholesale Electricity

By design, bilateral contracts cover most of the sales in the Wholesale Electricity Market. Inaccurate Bilateral Submissions will lead to inaccurate STEM Offers and STEM Bids. This will result in STEM prices not reflective of the expected system load and generation cost. Thus, this rule change will better address directly the first objective of the market and indirectly the second and fourth objectives of the market.
