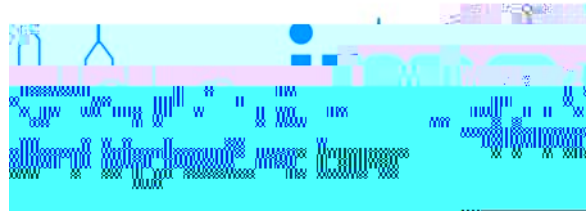


Wholesale Electricity Market Rule Change Proposal





Issue 1: The IMO has proposed to lengthen a number of the deadlines in the current process by shifting some deadlines forward and pushing others back. In particular, the IMO intends to allow about 2 weeks to provide Reserve Capacity Security, with the cut off point to submit a certification application being brought forward by almost 3 weeks to 1 July. The IMO has also proposed that in the case where no auction is held, that Certified Reserve Capacity is assigned within 2 Business Days after the application submission end date.

Issue 2: The IMO has proposed to amend the Market Rules to specifically reference clause 4.10 within clauses 4.11.1 and 4.11.2 and also specifically require applications



application for Certified Reserve Capacity. Furthermore, Participants must pay a fee to the IMO to cover the IMO's cost in assessing the information and whether it impacts on the certification.

Issue 12: the IMO proposes to amend clause 4.27.11A so that it states that the IMO must only approve or reject a nomination for a new commissioning date if it would result in a change to the date from which Reserve Capacity Obligations would commence.

Perth Energy's Views

Perth Energy supports the IMO's rule change proposal. Perth Energy particularly welcomes the proposed increased flexibility in the Reserve Capacity Mechanism timeline. Some of the current provisions, such as the very short time allowed to provide Reserve Capacity Security, are onerous for both the IMO and Market Participants. Perth Energy considers the proposed new timeline to be more reasonable. Perth Energy notes however that the proposed new cut off for applications is not opportune, being set at 1 July and coinciding with an increased work load in many organisations due to the end of the financial year.

With regard to issue 5, Perth Energy would welcome further clarification of the proposed drafting for clause 4.10.1bA(i). The last two lines of that paragraph require Market Participants to provide evidence of an Arrangement for Access, "including the level of unconstrained access and details of any constraints that may apply". Perth Energy considers that this should be narrowed to only apply to constraints that may apply at the point of connection and / or constraints that may apply at the time the Arrangement for Access was entered into. Perth Energy identifies that the South West Interconnected Network (SWIN) may become constrained over time, leading to System Management [or another Network Owner] placing temporary constraints on/or requesting parties to generate at a particular level, that may be different to the conditions that were part of the original

