





Generators that are either constrained on or constrained off will under the changes introduced by RC\_2011\_10 receive additional payments to compensate for the difference between their bid prices and the balancing price when being constrained on or off.

The Independent Market Operator has identified that the new clauses 6.17.3A(b) and 6.17.4A(b) which contain the wording relating to the constrained on and off payment calculations for Non-Scheduled Generators are erroneous. If retained, the current wording would lead to Non-Scheduled Generators being required to pay the IMO compensation rather than receiving compensation when constrained on or off.

### **Change Proposal**

The IMO submitted Rule Change Proposal RC\_2012\_08 “Constrained on and off Prices for Non-Scheduled Generators” on 1 June 2012.

The IMO proposed to amend the Market Rules to address the issue described above by amending clauses 6.17.3A(b) and 6.17.4A(b) by reordering the terms in the subtractions that are described in the clauses so that Non-Scheduled Generators are treated in the same way as Scheduled Generators and receive compensation when being constrained on or off.

The IMO also proposed to progress RC\_2012\_08 as a Fast Track Rule Change as it seeks to correct a manifest error.

### **Perth Energy’s Views**

Perth Energy supports the IMO’s Rule Change Proposal.

Perth Energy agrees that the error that has been identified is clearly a manifest error that was not intended to be part of the Market Rules. If left uncorrected it could have a serious impact on the operation of the WEM and would restrict the participation of Non-Scheduled Generators in balancing.

Perth Energy therefore also agrees with the IMO’s proposal to progress the Rule Change



Perth Energy also considers that if left unchanged there would be harmful impacts on the