

## ADDENDUM TO DRAFT RULE CHANGE REPORT: RC\_2012\_12: Updates to Commissioning Test Plans

[RC\\_2012\\_12](#) the IMO and System Man would be desirable for a clause to be drafted which placed a generators not to apply for a Commissioning Test so as to avoid Capacity Cost Refunds. This is an issue because Market Generator Commissioning Test Plans are exempt from paying Capacity financial incentives to avoid exposure to refunds the IMO Commissioning Rules must ensure that the Commissioning Test system is not Market Generators to avoid making refunds, since the cost of ultimately borne by Market Customers.

To this effect, in the Draft Rule Change Report for RC\_2012\_12, additional new clause 3.21A.5A which states that "a Commissioning Test Plan submitted by a Market Participant principally to avoid exposure to Capacity Cost Refunds shall be deemed to be in breach of the good faith intention of the Market Participant to conduct the Commissioning Test Plan submitted by a Market Participant in good faith intention of the Market Participant to conduct the Commissioning Test Plan."

Capacity Cost Refunds have the potential to be a significant financial incentive for Market Generators and so the abuse of the Commissioning Test system by Market Generators these payments should carry significant financial penalties. The proposed new clauses effectively deter Market Generators from using Commissioning Test Plans to avoid Capacity Cost Refunds.

making refunds, the IMO is working directly with the Public Utilities Office (PUO) to attach Category C civil penalties to clause 3.21A.5.

The IMO notes that if civil penalties were to be attached to clause 3.21A.5, the timing of the implementation of the required changes to the Electricity Industry (Wholesale Electricity Market) Regulations 2004 would be envisaged to occur at the same time as the proposed commencement of this Rule Change on 1 March 2013. However, this timeline is subject to further consultation with the PUO and any timing restrictions that may exist during the caretaker government period.

The IMO requests the views of interested parties during the second submission period on the issue of whether Category C civil penalties should apply to clause 3.21A.5. Given the potential implications for Market Participants, the IMO wishes to ensure that Market Participants understand the intent of, and have a further opportunity to provide their views on this proposal.

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<sup>1</sup> Note that for Category C civil penalties: maximum penalty for first breach \$50,000, maximum penalty for subsequent breaches \$100,000

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