

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET) REGULATIONS 2004
Wholesale Electricity Market Rules

IMO AMENDING RULES RC_2011_10 MADE ON 23 March 2012
These Amending Rules commence at 08.00am on 1 June 2012

The following clauses are amended (~~deleted wording~~, new wording):

1.10. Specific Transition Provisions – Balancing and Load Following Services

1.10.1. In this clause 1.10:

Balancing Final Rule Change Report: Means the IMO's Final Rule Change Report for the Rule Change Proposal: Competitive Balancing and Load Following Market (RC 2011 10).

Pre-Amended Rules: Means the Market Rules as in force immediately before the amendments made by the Balancing Final Rule Change Report come into effect (and if the amendments come into effect on more than one date, the last date on which the balance of the amendments come into effect).

Post-Amended Rules: Means the Market Rules as in force immediately after the amendments made by the Balancing Final Rule Change Report come into effect (and if the amendments come into effect on more than one date, the last date on which some of the amendments come into effect).

1.10.2. Before 8:00 AM on the Balancing Market Commencement Day, notwithstanding that the Pre-Amended Rules continue to apply, each Rule Participant must perform all obligations imposed on that Rule Participant under the Post-Amended Rules, in relation to the Balancing Market Commencement Day and subsequent Trading Days, that, if the Post-Amended Rules were in force, the Rule Participant would have been required to perform under the Post-Amended Rules. This includes but is not limited to obligations relating to:

(a) updated Standing Data under clause 2.34;

(b) information required to be shared between the IMO and System Management under Chapters 2 and 7, including:

i. Outage schedules under clause 7.3.4;

ii. Resource Plans under clause 7.4; and

iii. Fuel Declarations under clause 7.5.1;

(c) certification of Reserve Capacity under clauses 4.10 and 4.11;

- (d) a submission, including:
 - i. a Bilateral Submission under clause 6.2;
 - ii. a STEM Submission under clause 6.3B;
 - iii. a Resource Plan Submission under clause 6.5;
 - iv. a Balancing Submission under clause 7A.2;
 - v. the Balancing Portfolio Supply Curve under clause 7A.2.9; and
 - vi. a LFAS Submission under clause 7B.2;
- (e) the STEM Auction under clause 6.4;
- (f) a Non-Balancing Dispatch Merit Order under clause 6.12;
- (g) Load Forecasts under clause 7.2.1;
- (h) a Dispatch Instruction, Dispatch Order and an Operating Instruction under Chapter 7;
- (i) information in relation to the Verve Energy Balancing Portfolio under clause 7.6A.2;
- (j) a Dispatch Advisory under clause 7.11;
- (k) a Forecast BMO under clause 7A.3.16;
- (l) an LFAS Quantity forecast under clause 7B.1.4; and
- (m) an LFAS Merit Order, a Forecast LFAS Merit Order or the LFAS Price under clause 7B.3.

1.10.3. On the Scheduling Day relating to the Trading Day that is also the Balancing Market Commencement Day set by the IMO under clause 7A.1.2, notwithstanding that the Pre-Amended Rules continue to apply, Rule Participants are not required to perform obligations under the following Pre-Amended Rules:

- (a) Resource Plan data under clauses 6.5, 6.5C, 6.11 and 7.4;
- (b) Balancing Data under clauses 6.5A and 6.11A;
- (c) the Dispatch Merit Order under clause 6.12;
- (d) Load Forecast and Ancillary Service Requirements under clause 7.2;
- (e) Outages under clause 7.3;
- (f) Dispatch Merit Orders and Fuel Declarations under clause 7.5;
- (g) Dispatch under clause 7.6;
- (h) Scheduling and Dispatch of the Electricity Generation Corporation under clause 7.6A; and
- (i) Dispatch Instructions under clauses 7.7 and 7.8.

but only to the extent that these obligations relate to the Trading Day that is also the Balancing Market Commencement Day or subsequent Trading Days.

1.10.4. After 8:00 AM on the Balancing Market Commencement Day, notwithstanding that the Post-Amended Rules apply, each Rule Participant must perform all obligations imposed on that Rule Participant under the Pre-Amended Rules, arising in relation to each Trading Day (or part of a Trading Day) up to but excluding the Balancing Market Commencement Day, that, if the Pre-Amended Rules were in force, the Rule Participant would have been required to perform under the Pre-Amended Rules. This includes, but is not limited to, obligations relating to:

- (a) administration of the Market under Chapter 2;
- (b) energy scheduling, including calculation of prices and quantities for Balancing and Ancillary Services under Chapter 6;
- (c) Dispatch under Chapter 7;
- (d) settlement under Chapter 9; and
- (e) treatment of information under Chapter 10.

2.37.4. The Credit Limit for each Market Participant is the dollar amount determined by the IMO as being equal to the maximum net amount that the Market Participant is expected to owe the IMO over any 70 day period where this amount is not expected to be exceeded more than once in a 48 month period. When determining the Credit Limit for a Market Participant the IMO must take into account:

- (a) the average level and volatility of the ~~MCAP~~ Balancing Price and the STEM Clearing Price for the previous 48 months, or such shorter time period as data is available for;
- (b) the metered quantity data for the Market Participant, or an estimate of their expected generation and consumption where no meter data is available;
- (c) the correlation between the ~~metered amounts of electricity~~ Relevant Dispatch Quantity and ~~MCAP~~ the Balancing Price;
- (d) the length of the settlement cycle and the process set out in clauses 9.23, 9.24 and 2.32;
- (e) a reduction in the Credit Limit reflecting applicable bilateral contract purchase quantities, where these quantities are the historical bilateral contract submissions, or an estimate of the Market Participant's expected bilateral contract levels where no historical bilateral contract submission data is available;
- (f) the historical STEM sales and purchases, or an estimate of the Market Participant's expected STEM sales and purchases where no historical STEM sale and purchase data is available;

(fA) the historical level of payments under clause 9.8.1 or an estimate of the Market Participant's expected level of payments under clause 9.8.1 where no historical payment data is available;

(g) the expected level of ancillary service payments;

(h) the statistical distribution of the accrued amounts that may be owed to the IMO;

(i) the degree of confidence that the Credit Limit will be large enough to meet large defaults; and

(j) any past breach of the Regulations or these Market Rules by the Market Participant or a related entity of the Market Participant.

7A.1.2. The IMO must determine the Balancing Market Commencement Day.

7A.1.16. With effect on and from the Trading Interval commencing at 8:00 AM on the Balancing Market Commencement Day, the IMO must determine a point in time immediately before the commencement of a Trading Interval for the purpose of setting the Balancing Gate Closure. The point in time must be no shorter than two hours and no longer than six hours before the commencement of a Trading Interval and must be published on the Market Web Site.