
Wholesale Electricity Market – Rule Change Proposal Submission Form

RC_2007_04 Requirements for Registration as a Market Participant

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions

Verve Energy does not object to the intent of the proposed rule change, however we are concerned that there are inadequate specific controls within the proposed clause 2.28.8A to prevent abuse or unintended outcome.

Clause 2.28.8A (a) refers to quantities that “are **not expected** to exceed 5MWh in a trading interval”. A party generating in excess of 5 MWh per trading interval could argue that it is not in breach of the rule as it did not **expect** to do so. A specific limit on the number of occasions that a party is able to exceed a maximum of 5MWh per trading interval should be incorporated in the rule.

While a party seeking exemption under rule 2.28.8A may not alone influence market outcomes, what if there are a number of such parties utilising that rule, say 10? Exempt parties totalling in excess of 100 MW and delivering 50 MWh per trading interval may be more than enough to influence market outcomes.

Although the proposed clause 2.28.8A refers to the influence of clause 2.28.16, the proposed new clause effectively removes the discretion IMO currently has to determine an exemption. A party could argue that if it complies with the specific requirements of clause 2.28.8A then IMO should not exercise any discretion to preclude the exemption. Having achieved that exemption it appears that, as long as the conditions of the clause are being met by the party, there is then no ability for the IMO to overturn that exemption should there be a need to do so.

If clause 2.28.8A is to be implemented, clause 2.28.16 should be strengthened to enable IMO to revoke an exemption obtained by a party under clause 2.28.8A should the IMO determine abuse, unintended market outcome or any other reason that the IMO considers validated.

Accordingly, Verve Energy only supports the proposed rule change if the suggested controls are implemented and the IMO's discretionary powers are reinforced.

2. Please provide an assessment, whether the change will better facilitate the achievement of the Market Objectives

Verve Energy considers that the proposed change will facilitate the achievement of market objectives **only if** the additional controls suggested in 1. above are implemented.

3. Please indicate if the proposed change will have any implications for your organisation, (for example changes to your IT or business systems) and any costs involved

N/A

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed

N/A
