

Dora Guzeleva
Manager Market Administration
Independent Market Operator
Level 22 The Forrest Centre
221 St Georges Tce
Perth WA 6000

By email: imo@imowa.com.au

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Dear Dora



Alinta

Alinta Sales Pty Ltd
ABN 92 089 531 984

Alinta Plaza
12 - 14 The Esplanade
Perth WA 6000

PO Box 8348
Perth BC WA 6849

Telephone +61 8 6213 7000
Facsimile +61 8 6213 7001

www.alinta.net.au

WEM Rule Change Proposal RC 2007 06 – STEM Timeline Flexibility

Thank you for the opportunity to provide comments on Rule Change Proposal RC 2007 06 "STEM Timeline Flexibility". This letter sets out the view of Alinta Sales Pty Ltd (Alinta).

The proposed change

On the 11th of June 2007 the Independent Market Operator (IMO) submitted RC 2007 06. The IMO proposed that more flexibility be introduced to the STEM timeline to avoid the STEM being suspended for example when a participant is unable to submit a STEM offer but failed to do so in time due to IMO system issues.

Alinta's view

Alinta agrees with the proposed change to the Market Rules and considers the change proposal would better facilitate achievement of objectives (a), (b), and (d) of the Market Rules¹.

Alinta's assessment against the objectives of the market

Alinta considers the change proposal has the following impact on the objectives of the market:

¹ The objectives of the Market Rules are contained in Market Rule 1.2.1 and are:

- (a) "to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West Interconnected System"
- (b) "to encourage competition among generators and retailers in the South West Interconnected System, including by facilitating efficient entry of new competitors"
- (c) "to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions"
- (d) "to minimise the long-term cost of electricity supplied to customers from the South West interconnected system"
- (e) "to encourage the taking of measures to manage the amount of electricity used and when it is used"

Objective	Identified impact
(a)	Alinta considers achievement of this objective will be improved as the proposed change will increase the likelihood that the STEM is run and dispatch of units on the system is based on the most up to date economic information available. This should lead to a more efficient outcome compared to the current version of the rules where the STEM may be suspended unnecessarily.
(b)	Alinta considers this objective will be better achieved as an existing potential barrier to competition in the STEM will be removed.
(c)	Alinta has not identified an impact on this objective.
(d)	Alinta considers that this objective will be marginally better achieved as a consequence of the increased competitive tension identified above.
(e)	Alinta has not identified an impact on this objective.

IT systems and cost implications

Alinta has not identified any significant cost impact for its own IT systems.

Time required for implementation

Alinta will not need any lead time to implement this proposal.

Please call me on 08 6213 7304 to discuss any of the issues raised in this letter in more detail.

Yours sincerely



Kristian Myhre
Manager Market Analytics
Alinta Sales Pty Ltd