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## Wholesale Electricity Market Rule Change Proposal Form

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**Change Proposal No:** RC\_2007\_17

**Received date:** 21/09/2007

### Change requested by

<b>Name:</b>	Jenni Conroy
<b>Phone:</b>	62121661
<b>Fax:</b>	62121035
<b>Email:</b>	Jenni.conroy@synergyenergy.com.au
<b>Organisation:</b>	Synergy
<b>Address:</b>	228 Adelaide Tce Perth
<b>Date submitted:</b>	20 September 2007
<b>Urgency:</b>	3-high
<b>Change Proposal title:</b>	Amendment to Business Day Convention
<b>Market Rule(s) affected:</b>	1.4.1 ( c) and a new clause 9.1.5

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### Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

This Change Proposal can be posted, faxed or emailed to:

**Independent Market Operator**

Attn: Dora Guzeleva, Manager Market Administration  
PO Box 7096  
Cloisters Square, Perth, WA 6850

Fax: (08) 9254 4339

Email: [marketadmin@imowa.com.au](mailto:marketadmin@imowa.com.au)

The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives. The objectives of the market 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; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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## Details of the proposed Market Rule Change

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### 1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

The business day convention in the market rules states that a "business day means a day that is not a Saturday, Sunday or Public Holiday in Western Australia".

All WEM settlements are processed using a payment method called Real Time Gross Settlement and these payments are transacted through Austraclear (Sydney Futures Exchange). This means that WEM transactions that fall due on a NSW state holiday or a bank holiday cannot be settled as the Sydney Futures Exchange will be closed.

Synergy proposes that the definition of a Business Day, as it applies specifically to settlement within the Market Rules, be amended such that a "Business Day means a day that is not a Saturday, Sunday, or a public holiday (including a bank holiday) throughout Western Australia and/or Sydney (New South Wales)".

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### 2. Explain the reason for the degree of urgency:

It is critical that this Market Rule Change be expedited as soon as possible as there remains the ongoing risk that WEM settlement will coincide with public or bank holidays in NSW and under these circumstances, settlement will not be able to occur consistent with the requirements of the WEM Rules.

The Market Rule Change Procedures allow for a Fast Track process, which is a shorter process that normally takes around 5 weeks to complete, is used when the change is:

- a. a minor or procedural nature;
- b. required to correct a manifest error;

- c. urgently required and is essential for the safe, effective and reliable operation of the market or the South West Interconnected System (SWIS).

Synergy advocates that this market rule change, while of a minor or procedural nature, is urgently required for the effective and reliable operation of the WEM and as such should be progressed through the Fast Track process.

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**3. Provide any proposed specific changes to particular Rules:** (for clarity, please use the current wording of the Rules and place a ~~strike through~~ where words are deleted and underline words added)

Delete clause 1.4.1(c).

Add new clause 9.1.5 as follows:

9.1.5. For the purpose of clauses 9.16.1(b), 9.16.2(e) and 9.16.4(d), a **Business Day** is a day that is not a Saturday, Sunday, or a public holiday (including a bank holiday) throughout Western Australia and/or Sydney (New South Wales).

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**4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:**

Synergy contends that this Market Rule Change will promote the effective operation of settlement processes and in doing so enable the Market Rules to better contribute to the achievement of the wholesale electricity market objective of promoting the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system.

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**5. Provide any identifiable costs and benefits of the change:**

Synergy's analysis indicates that this Market Rule Change will not give rise to any additional costs to either the Market Operator or Participants.

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