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Dear Dora

WEM Rule Change Proposal RC 2007 19 – Non Temperature Dependant Loads Timelines

Thank you for the opportunity to provide comments on Rule Change Proposal RC 2007 19 – “Non Temperature Dependant Loads Timelines”. This letter sets out the view of Alinta Sales Pty Ltd (Alinta).

The proposed change

On the 13th of September 2007 Premier Power submitted RC 2007 19 to the Independent Market Operator (IMO). Premier Power proposed to change the rules so that it will be possible to nominate a load to be treated as a Non Temperature Dependant Load (NTDL) for capacity credit purposes at any time during the reserve capacity credit year. Currently, the rules only allow NTDL loads to be nominated once a year.

Alinta's view

Alinta agrees with the proposal to allow more flexibility around when retailers can nominate loads to be treated as NTDL loads. Alinta considers the proposed change would better facilitate achievement of objectives (b) and (d)¹ of the Market Rules.

Alinta is also aware that a working group has been established to investigate issues surrounding NTDL loads in more detail. Alinta supports the work of the working group and considers it should also investigate whether the current criteria for being treated as an NTDL load are appropriate. Experience to date seems to suggest that the criteria may be too strict as many loads that do not vary with temperature, such as typical mining loads with high load factors, fail the NTDL test.

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”

Alinta's assessment against the objectives of the market

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

Objective	Identified impact
(a)	Alinta has not identified an impact on this objective.
(b)	Alinta considers this objective will be better facilitated as the proposed change will ensure that incoming retailers are not disadvantaged by a decision by the outgoing retailer not to apply for NTDL treatment of a customer.
(c)	Alinta has not identified an impact on this objective.
(d)	Alinta considers this objective will be better facilitated by way of the increased level of competition and encouragement of new entry 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 has not identified a need for any significant lead time to implement the proposed change.

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