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By email: marketadmin@imowa.com.au



Alinta

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Dear Allan

WEM Rule Change Proposal RC 2008 30 – Reserve Capacity Security

Thank you for the opportunity to provide comments on Rule Change Proposal RC 2008 30 "Reserve Capacity Security". This letter sets out the view of Alinta Sales Pty Ltd (Alinta).

The proposed change

On the 11th of September 2008 the Independent Market Operator (IMO) submitted RC 2008 30. The IMO proposed to change the Market Rules in relation to the release of the Reserve Capacity Security. The IMO proposed four changes in relation to the Reserve Capacity Security:

1. Participants will be required to notify the IMO that they believe they have satisfied the criteria for having their Reserve Capacity Security Returned rather than the IMO being responsible for monitoring this.
2. The IMO will be allowed 10 rather than the current 5 business days to process a claim for having a Reserve Capacity Security returned.
3. To remove any doubt from the Market Rules that for a facility upgrade Reserve Capacity Security is only required for the capacity related to the upgrade, rather than to the total capacity of the facility.
4. To remove any doubt from the Market Rules that Forced Outages could be used to lower the threshold required for a participant to get the Reserve Capacity Security returned.

Alinta's view

Alinta agrees with the rule change proposal. With reference to points 1 and 2 of the proposed change, Alinta considers the proposed change would lessen the administrative burden placed upon the IMO with minimal or no impact on individual participants or the market as a whole.

With reference to points 3 and 4 Alinta considers the proposed change seeks to clarify a sensible interpretation of the Market Rules as they are written at the moment.

For the reasons set out above, Alinta considers the rule change proposal would promote the achievement of objective (a)¹ of the Market Rules. Alinta considers the change proposal would not be an impediment to achieve any of the other Market Objectives.

IT systems and cost implications

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

Time required for implementation

Alinta does not require any specific lead time to allow implementation of the proposal.

Please call me on 08 9486 3313 to discuss any of the issues raised in this letter in more detail.

Yours sincerely



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**Kristian Myhre
Manager Market Analytics
Alinta Sales Pty Ltd**

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"