

Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_10 Bilateral Submission Window

Submitted by

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Date submitted:	29 June 2010

Submission

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

Background

Bidding and scheduling of energy in the Wholesale Electricity Market (WEM) runs to a strict timeline which is predetermined within the Wholesale Electricity Market Amending Rules (the Market Rules) as follows:

- Bilateral Contract submissions closing at 8.50am;
- STEM submissions closing at 9.50am;
- the STEM Auction completing by 10.30am;
- the Resource Plan and Balancing Data submissions completing by 12.50pm; and
- Dispatch Merit Orders, Resource Plans and Fuel Declarations being provided to System Management by 1.30pm on the Scheduling Day.

Clause 6.4.6 allows the IMO, in the case of a computer related failure, to extend the timelines for all of the activities listed above, except for those relating to Bilateral Contract submissions and the associated release of bilateral submission quantities to Market Participants.

Change Proposal

Verve Energy has proposed to change the Market Rules to include the Bilateral Contract submissions window in the list of processes that the IMO may extend the timelines for, when a computer related failure impacts on the ability of the IMO to run the processes to the strict timeline stipulated in the Market Rules.

Perth Energy's Views

Perth Energy supports Verve Energy's proposal. Having an unnecessary delay between the close of the Bilateral Contract submission window and the opening of the STEM submission window could lead to sub optimal outcomes as opportunities to fine tune Bilateral Contract positions to reflect the most recent, and best available, information may be foregone. Perth Energy supports this Rule Change Proposal being expedited as quickly as the Standard Rule Change Process allows, to ensure that the IMO has the same flexibility to manage the Bilateral Submission Window as currently exists within the STEM, balancing and fuel submission processes.

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

Perth Energy considers the change would better facilitate the achievement of Market Objective¹ (a) as it would encourage further optimisation of bilateral contractual positions, which should have a positive impact on economic efficiency. Perth Energy has not identified any negative impacts on any of the other Market Objectives.

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 in implementing these changes.

There will be no impact for Perth Energy.

¹ 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.

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

Perth Energy does not require any lead time to implement the change.