

## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2010\_36 Acceptable Credit Criteria

#### Submitted by

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<b>Date submitted:</b>	9 December 2010

#### Submission

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

#### Background

Under clause 2.38.1 of the Market Rules, a Market Participant that fails to meet the Acceptable Credit Criteria set out in clause 2.38.6 must provide the Independent Market Operator (IMO) with Credit Support. This is done by completing the Acceptable Credit Criteria Form available from the IMO website. A solicitor of a reputable commercial law firm, acceptable to the IMO, must sign the form.

Synergy has experienced a growing reluctance by solicitors to sign the form.

Synergy has also noted that the IMO currently provides a list on its website of Acceptable Credit Providers.

#### Change Proposal

Synergy has proposed to change the Market Rules such that, for the purposes of clause 2.38.6, an entity is deemed to meet the Acceptable Credit Criteria if is already on the IMO's list of Acceptable Credit Providers.

## **Perth Energy's Views**

Perth Energy supports the proposal. It appears nonsensical, and contrary to the efficiency objectives embodied in Market Objective (a) that a credit provider that is already pre-approved by the IMO should be subject to a reconfirmation process.

### **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 Objective<sup>1</sup> (a) as an inefficient and unnecessary extra step in the credit provision process would be avoided.

### **3. 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.

### **4. 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.

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<sup>1</sup> 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.