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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2011\_04 List of Entities Meeting the Acceptable Credit Criteria

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#### Submitted by

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#### Submission

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

Synergy supports Rule Change Proposal RC\_2011\_04, which acts to ensure that the IMO includes, in its Market Web Site published List of Entities, the entities in respect of which it has determined that Market Participants are not required to provide evidence of meeting the Acceptable Credit Criteria outlined in clause 2.38.6. These entities include the four major Australian banks.

In Synergy's view, the IMO's decision to automatically include the four major Australian banks on the List of Entities is to be welcomed as a sensible and practical step in reducing the Market Participant administrative costs without compromising the financial integrity of the market. Rather than being required to engage a reputable firm of solicitors acceptable to the IMO to complete the Acceptable Credit Criteria Form in all cases, Market Participants will be relieved of that burden where they elect to meet their Credit Support or Reserve Capacity Security obligations through using one of the four major Australia banks.

Synergy also supports giving the IMO the heads of power to include other entities that it considers meet the Acceptable Credit Criteria. While it is acknowledged that the IMO does not presently intend to excise that discretion in regard to entities other than the Big 4 (i.e. ANZ, CBA, NAB and Westpac), it is nevertheless beneficial that the heads of power to exercise that discretion exists should new financial service providers, of similar status and standing, emerge in the future.

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

Synergy agrees with the IMO that the Rule Change Proposal will allow the Market Rules to better address Market Objectives:

(b) *to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors; and*

(d) *to minimise the long-term cost of electricity supplied to customers from the South West interconnected system;*

by removing costs incurred by Market Participants related to certifying that the four major Australian Banks meet the Acceptable Credit Criteria.

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**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.**

Synergy would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

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

Synergy would be able to implement this rule change immediately.

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