



Independent Market Operator

**Wholesale Electricity Market
Compliance Report**

**21 September 2008 - 20 March
2009**



1. Introduction

The Independent Market Operator (IMO) is required by clause 2.13.26 of the Wholesale Electricity Market Rules (Market Rules) to release a report at least every six months setting out a summary of:

- Proceedings that have been brought before the Energy Review Board (ERB);
- Findings of the ERB on matters referred to them;
- Orders made by the ERB; and
- Civil penalties imposed by the IMO under clause 2.13.16(a) of the Market Rules, where the ERB has not set these aside.

This report provides a summary of those matters for the six-month period from 21 September 2008 to 20 March 2009.

2. Report for the period 21 September 2008 - 20 March 2009

Proceedings that have been brought before the Energy Review Board

No 1 of 2008

On 29 October 2008 the IMO applied, under regulation 32(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, for orders to be made against Alinta Sales (Alinta).

The application was made on the ground that on 8 August 2008 and on 8 September 2008 Alinta had breached clause 7.9.1(b) of the Market Rules.

Clause 7.9.1 reads as follows:

“Subject to clause 7.9.2, if a Market Participant intends to synchronise a Scheduled Generator, then it must confirm with System Management the expected time of synchronisation:

- (a) at least one hour before the expected time of synchronisation; and
- (b) must update this advice five minutes before synchronising.”

The application sought that the following orders be made under regulation 33(1) of the Regulations:

- That Alinta pay a penalty of \$20,000 in relation to the first breach of the rules;
- That Alinta pay a penalty of \$30,000 in relation to the second breach of the rules;
- That Alinta pay the IMO’s costs; and

- Any other order that the ERB thinks fit.

The ERB held a preliminary hearing on 6 March 2009 to consider procedural and timetabling issues.

No 3 of 2008

On 22 December 2008 the IMO applied, under regulation 32(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, for orders to be made against Alinta.

The application was made on the ground that on 16 September 2008 Alinta had breached clause 7.10.1 of the Market Rules.

Clause 7.10 1 reads as follows:

“Subject to clause 7.10.2, a Market Participant other than Electricity Generation corporation must comply with:

- (a) subject to paragraph (b), its Resource Plan except where it relates to Intermittent Generators;
- (b) if a Dispatch Instruction has been issued for a Registered Facility for a Trading Interval, the most recently issues Dispatch Instruction applicable to the Registered Facility for the Trading Interval; and
- (c) a direction given to the Market Participant under clauses 7.6 or 7.10.7(a).”

The application sought that the following orders be made under regulation 33(1) of the Regulations:

- That Alinta pay a penalty of \$25,000;
- That Alinta pay the IMO’s costs; and
- Any other order that the ERB thinks fit.

The ERB held a preliminary hearing on 6 March 2009 to consider procedural and timetabling issues.

Findings of the Energy Review Board on matters referred to them

The ERB has not yet heard the substantive matters referred to it, and accordingly it has not yet made any findings.

Orders made by the Energy Review Board

Subsequent to the preliminary hearing on 6 March 2009 the ERB made the following orders in relation to each of No 1 of 2008 and No 3 of 2008:

- 1 Within 14 days, the parties file a joint statement of agreed facts.
- 2 Within 14 days of filing a joint statement of agreed facts, the Applicant file and serve on the Respondent any affidavits and submissions relating to any orders to be made under sub regulation 33(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.
- 3 Within 21 days of service of the Applicant's affidavits and submissions, the Respondent file and serve on the Applicant any affidavits and submissions relating to any orders to be made under sub regulation 33(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.
- 4 The affidavits and submissions to be filed by the parties are to specifically address the matters referred to in sub regulation 33(4) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*.
- 5 A hearing be scheduled on a date to be fixed after the date the Respondent has filed and served its affidavits and submissions.
- 6 Both parties have liberty to apply.

Civil Penalties imposed by the IMO and not set aside by the Energy Review Board

The IMO imposed no civil penalties during the relevant period.