



Independent Market Operator

**Wholesale Electricity Market
Compliance Report**

**21 March 2009 - 20 September
2009**



1. Introduction

The IMO is required by clause 2.13.26 of the Market Rules to release a report at least every six months setting out a summary for the preceding six months of:

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

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

2. Report for the period 21 March 2009 - 20 September 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 basis of the IMO's finding 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 substantive hearing of this matter took place on 11 August 2009.

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 Sales (Alinta). The application was made on the basis of the IMO's finding 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 substantive hearing of this matter took place on 11 August 2009.

Findings of the Energy Review Board on matters referred to them

The ERB has reserved its decision on both No 1 of 2008 and No. 3 of 2008.

Orders made by the Energy Review Board

The Energy Review Board made various timetabling and other procedural orders in relation to No 1 of 2008 and No. 3 of 2008 but has not yet made any substantive orders.

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.