

**ELECTRICITY INDUSTRY ACT 2004**  
**ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY - MARKET)**  
**REGULATIONS 2004**  
**Wholesale Electricity Market Rules**

**IMO AMENDING RULES RC\_2007\_08 MADE ON 23 OCTOBER 2007**  
**These Amending Rules commence at 08.00am on 1 November 2007**

The following clauses are amended (~~deleted wording~~, new wording):

**Clause 4.26.1**

4.26.1 If a Market Participant holding Capacity Credits fails to comply with its Reserve Capacity Obligations then the Market Participant must pay a refund to the IMO calculated in accordance with the following provisions.

**REFUND TABLE**

<b>Season</b>	<b>Cold</b>	<b>Intermediate</b>	<b>Hot</b>
Dates	<del>1 April to 1 October</del>	<del>1 October to 1 December</del>	<del>1 December to 1 April</del>
Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	<del>2 × Y</del>	<del>2 × Y</del>	<del>2 × Y</del>
Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)	<del>8 × Y</del>	<del>8 × Y</del>	<del>8 × Y</del>
Maximum Daily Rate (\$ per average MW shortfall per Trading Interval over a Trading Day)	<del>5 × Y</del>	<del>5 × Y</del>	<del>5 × Y</del>
Maximum Seasonal Rate (\$ per average MW shortfall per Trading Interval over a Season)	<del>0.6 × Y</del>	<del>0.6 × Y</del>	<del>1.8 × Y</del>
Maximum Refund	<del>The total value of the Capacity Credit payments paid or to be paid under these Market Rules to the relevant Market Participant for the 12 Trading Months commencing at the start of the Trading Day of the previous 1 October assuming the IMO acquires all of the Capacity Credits held by the Market Participant and the cost of each Capacity Credit so acquired is determined in accordance with clause 4.28.2(b), (c) and (d) (as applicable).</del>		
Where:			
For an Intermittent Facility that has been commissioned: Y equals 0			
For all other facilities, including Intermittent Facilities that have not been commissioned: Y equals the greater of the Reserve Capacity Price and 85% of the Maximum Reserve Capacity Price for the relevant Reserve Capacity Auction expressed as a \$ per MW per Trading Interval figure.			

<u>Dates</u>	<u>1 April to 1 October</u>	<u>1 October to 1 December</u>	<u>1 December to 1 February</u>	<u>1 February to 1 April</u>
<u>Business Days Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)</u>	<u>0.25 x Y</u>	<u>0.25 x Y</u>	<u>0.5 x Y</u>	<u>0.75 x Y</u>
<u>Business Days Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)</u>	<u>1.5 x Y</u>	<u>1.5 x Y</u>	<u>4 x Y</u>	<u>6 x Y</u>
<u>Non-Business Days Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)</u>	<u>0.25 x Y</u>	<u>0.25 x Y</u>	<u>0.5 x Y</u>	<u>0.75 x Y</u>
<u>Non-Business Days Peak Trading Interval Rate (\$ per MW shortfall per Trading Interval)</u>	<u>0.75 x Y</u>	<u>0.75 x Y</u>	<u>1.5 x Y</u>	<u>2 x Y</u>
<u>Maximum Refund</u>	<u>The total value of the Capacity Credit payments paid or to be paid under these Market Rules to the relevant Market Participant for the 12 Trading Months commencing at the start of the Trading Day of the previous 1 October assuming the IMO acquires all of the Capacity Credits held by the Market Participant and the cost of each Capacity Credit so acquired is determined in accordance with clause 4.28.2(b), (c) and (d) (as applicable).</u>			
<u>Where:</u>				
<u>For an Intermittent Facility that has been commissioned: Y equals 0</u>				
<u>For all other facilities, including Intermittent Facilities that have not been commissioned: Y equals the greater of the Reserve Capacity Price and 85% of the Maximum Reserve Capacity Price for the relevant Reserve Capacity Auction, expressed as a \$ per MW per Trading Interval figure. This is determined by dividing the Monthly Reserve Capacity Price by the number of Trading Intervals in the relevant month.</u>				

### **Clause 4.26.3**

4.26.3 For each Market Participant holding Capacity Credits, the IMO must determine the amount of the refund (“**Capacity Cost Refund**”) to be applied for Trading Month m in respect of a Capacity Shortfall as defined in clauses 4.26.2 during that Trading Month. The Capacity Cost Refund is the lesser of:

- (a) the Maximum Refund determined in accordance with the Refund Table, less all Capacity Cost Refunds applicable to the Market Participant in previous Trading Months falling in the same Capacity Year as Trading Month m; and
- (b) ~~the Maximum Seasonal Rate determined in accordance with the Refund Table, multiplied by the average Trading Interval Capacity Shortfall calculated over the Season within which Trading Month m falls, less the~~

~~sum of the Capacity Cost Refunds applicable to the Market Participant in previous Trading Months which fall in the same Season; and~~

- (c) ~~the sum of the relevant amounts for Trading Month m, where a relevant amount is calculated for each Trading Day d in Trading Month m and is equal to the lesser of:~~
- ~~i. the Maximum Daily Rate determined in accordance with the Refund Table for Trading Day d multiplied by the sum over all Trading Intervals t in Trading Day d of the Capacity Shortfall in Trading Interval t; and~~
  - ~~ii. the sum over all Trading Intervals t in Trading Month m Day d of the product of:~~
    - ~~1i. the Off-Peak Trading Interval Rate or Peak Trading Interval Rate determined in accordance with the Refund Table applicable to Trading Interval t; and~~
    - ~~2ii. the Capacity Shortfall in Trading Interval t.~~

### **Chapter 11 Glossary**

**Non-Business Day:** A day that is a Saturday, Sunday, or a public holiday throughout Western Australia.