

RULE CHANGE EXTENSION NOTICE
COMPETITIVE BALANCING AND LOAD FOLLOWING MARKET
(RC_2011_10)

This notice is given under clause 2.5.7 of the Market Rules.

Date Submitted: 23 September 2011

Date Extended: 16 February 2012

Submitter: Douglas Birnie, the Independent Market Operator (IMO)

THE PROPOSAL

The proposal seeks to establish new Balancing and Load Following Ancillary Services markets. The proposed amendments have been developed following feedback from Market Participants and the findings of the Verve Energy Review which both identified concerns with the current sole-provider balancing and load following ancillary service arrangements under the Wholesale Electricity Market (WEM). These new proposed markets will enable competition in the provision of both services and thereby improve the efficiency of the WEM and address the concerns previously raised. The proposed amendments have been developed in consultation with Rules Development Implementation Working Group which was constituted under the auspices of the Market Advisory Committee.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the submitter's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

DECISION TO PROGRESS THE RULE CHANGE

The IMO decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to provide submissions as part of the rule change process.



Extension of publishing the Draft Rule Change Report (5 December 2011)

The IMO extended the timeframe for publication of the Draft Rule Change Report for this Rule Change Proposal by one day, until 6 December 2011. This extension was in accordance with clause 2.5.10 of the Market Rules. A notice of this extension was published under clause 2.5.12 on the IMO website on 5 December 2011.

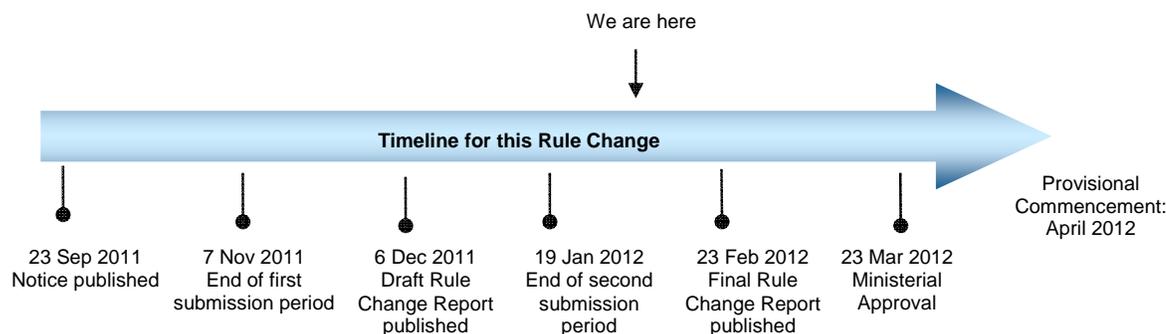
Extension of publishing the Final Rule Change Report (16 February 2012)

The IMO extended the timeframe for publication of the Final Rule Change Report for this Rule Change Proposal until 23 February 2012. This extension was in accordance with clause 2.5.10 of the Market Rules. A notice of this extension was published under clause 2.5.12 on the IMO website on 16 February 2012.

Note that this document remains unchanged from that originally published (23 September 2011) albeit reflecting the revised timelines in accordance with the notice of extension.

TIMELINE (as extended)

The revised projected timelines for processing this proposal are:



Please note that the commencement date reflects that presented in the original Rule Change Proposal and Draft Rule Change Report and may be subject to change in the Final Rule Change Report.

CALL FOR SUBMISSIONS

Please note that the first submission period has now closed.

The IMO is seeking submissions regarding this proposal. The submission period is 30 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by 5:00pm on **Monday 7 November 2011**.

The IMO prefers to receive submissions by email to market.development@imowa.com.au using the submission form available on the IMO website: <http://www.imowa.com.au/rule-changes>.



Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator
Attn: General Manager, Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399

