

Rule Change Extension Notice

Limits to early entry capacity payments

(RC_2012_10)

This notice of extension is given under clause 2.5.12 of the Market Rules.

Submitter: Will Bargmann, Synergy

Date Originally Submitted: 14 June 2012

Date of Extension: 26 November 2012

Reasons for the Extension

In accordance with clause 2.5.10 of the Market Rules, the IMO has extended the timeframe for the publishing the Draft Rule Change Report for the Rule Change Proposal titled Early Entry Capacity Payments (RC_2012_10) by 70 Business Days.

The publication date for the Draft Rule Change Report has been extended until **Monday, 11 March 2013**.

During the September MAC meeting, the Public Utilities Office (PUO) advised that it would be appropriate to consider the outcomes of the Reserve Capacity Mechanism Working Group (RCMWG) prior to addressing the issue of incentivising early entry of capacity from a policy perspective. Subsequently the IMO has extended the period for publishing the Draft Rule Change Report to allow time for the completion of the RCMWG's formal deliberations, with the recommendations to be considered by the IMO Board in December 2012.

The IMO notes that the advice of the PUO on the wider issue of incentivising early entry capacity is likely to have direct impacts on RC_2012_10.

The IMO notes that the Rule Change Proposal will continue to be processed via the Standard Rule Change Process. For further details relating to the Rule Change Proposal please refer to the Market Web Site.

Proposed Work Programme

- The RCMWG recommendations to be considered by the IMO Board in December 2012.
- The RCMWG recommendations and associated outcomes from the IMO Board meeting to be discussed at the first MAC meeting in 2013.

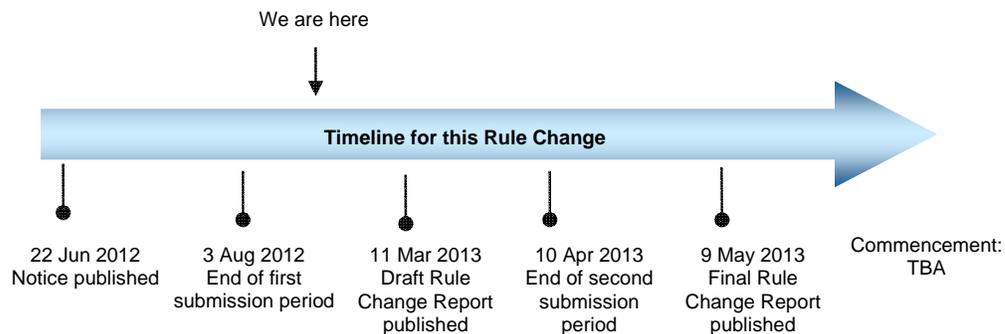


INDEPENDENT
MARKET
OPERATOR

- The PUO considers the issue of incentivising early entry of capacity from a policy perspective taking into account the recommendations and outcomes from the RCMWG
- The IMO presents its draft decision in the Draft Rule Change Report.
- The second submission period is held.
- The IMO presents its final decision in the Final Rule Change Report.

Extended Timeline

The projected timelines for processing this proposal, including the extension are:



SUZANNE FRAME
GROUP MANAGER, MARKET DEVELOPMENT

26 November 2012