



**Draft Rule Change Report  
Title: De-registration of Rule  
Participants who no longer meet  
registration requirements**

Ref: RC\_2010\_31  
Standard Rule Change Process

Date: 1 June 2011

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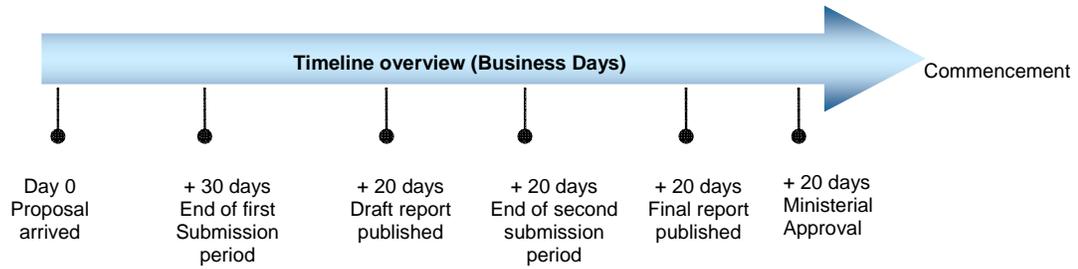
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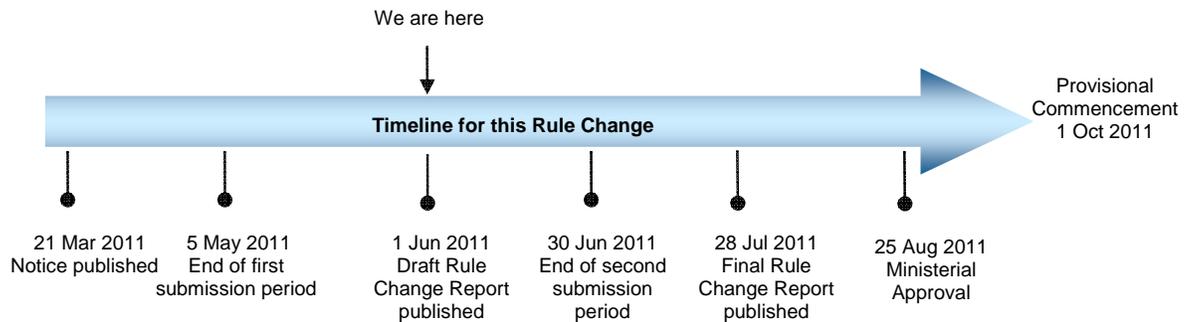
## 1 INTRODUCTION

On 18 March 2011 the Independent Market Operator (IMO) submitted a Rule Change Proposal regarding amendments to clauses 2.17.1 and 2.31.13 and new clauses 2.32.7A, 2.32.7B, 2.32.7C, 2.32.7D, 2.32.7E and 2.32.7F and the Glossary of the Wholesale Electricity Market Rules (Market Rules).

This proposal is being processed using the Standard Rule Change Process, described in section 2.7 of the Market Rules. The standard process adheres to the following timelines:



The key dates in processing this Rule Change Proposal are:



Please note the commencement date is provisional and may be subject to change in the Final Rule Change Report. The commencement date would need to be aligned with the appropriate amendments of the Electricity Industry (Wholesale Electricity Market) Regulations 2004 (Regulations) to incorporate the new Reviewable Decision.

The draft decision of the IMO Board is to accept the Rule Change Proposal in a modified form. The detailed reasons for the decision are set out in section 5 of this report.

In making its draft decision on the Rule Change Proposal, the IMO has taken into account:

- the Wholesale Market Objectives;
- the practicality and cost of implementing the proposal;
- the views of the Market Advisory Committee (MAC); and
- the submissions received.

All documents related to this Rule Change Proposal can be found on the IMO website: [http://www.imowa.com.au/RC\\_2010\\_31](http://www.imowa.com.au/RC_2010_31)

## 2 CALL FOR SECOND ROUND SUBMISSIONS

The IMO invites interested stakeholders to make submissions on this Draft Rule Change Report. The submission period is 20 Business Days from the publication date of this report. Submissions must be delivered to the IMO by 5.00pm, **Thursday 30 June 2011**.

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

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

## 3. THE RULE CHANGE PROPOSAL

### 3.1 Submission Details

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<b>Date submitted:</b>	18 March 2011
<b>Urgency:</b>	Medium
<b>Change Proposal title:</b>	De-registration of Rule Participants who no longer meet registration requirements
<b>Market Rules affected:</b>	2.17.1, 2.31.13 new clauses 2.32.7A, 2.32.7B, 2.32.7C, 2.32.7D, 2.32.7E, 2.32.7F and the glossary.

### 3.2 Summary details of the Proposal

In its Rule Change Proposal, the IMO notes that generally anyone subject to the Wholesale Electricity Market Rules (Market Rules) is required to register as a Rule Participant (there are some exemptions available).

Under the current Market Rules there are two avenues for Rule Participant de-registration, these are:

- the Rule Participant applying to the IMO to be de-registered; and
- the IMO applying to the Electricity Review Board (ERB) for the Rule Participant to be de-registered.

The IMO notes that applying to the ERB for a de-registration order is a lengthy and costly process.

The IMO proposes to be able to de-register a Rule Participant without applying to the ERB if it is clear that the Rule Participant no longer meets the requirements of its original registration as stated in clause 2.28.19 of the Market Rules.

The full details of the Rule Change Proposal are available in Appendix 1 of this report.

### 3.3 *The Proposal and the Wholesale Market Objectives*

The IMO submitted that the proposed amendments will promote Wholesale Market Objective (a) by ensuring that the IMO does not need to undertake a lengthy and costly process of applying to the ERB should it wish to de-register Rule Participants. The IMO considers that its proposed process is a more economically efficient process than the status quo.

The IMO considered that the proposed amendments were consistent with the remaining Wholesale Market Objectives.

### 3.4 *Amending Rules proposed by the IMO*

The amendments to the Market Rules proposed by the IMO are presented in Appendix 2 of this report.

### 3.5 *The IMO's Initial Assessment of the Proposal*

The IMO decided to proceed with the proposal on the basis that Market Participants should be given an opportunity to provide submissions as part of the rule change process.

## 4. FIRST SUBMISSION PERIOD

The first submission period for this Rule Change Proposal was between 22 March 2011 and 5 May 2011.

### 4.1 *Submissions received*

The IMO received submissions from Alinta, Landfill Gas & Power (LGP) and Synergy during the first submission period. A copy of the full text of all submissions is available on the IMO website. In summary, none of the submissions received opposed the proposed amendments.

LGP supports the Rule Change Proposal on the grounds that it would simplify the administration and cost associated with the de-registration of a Market Participant.

Synergy also supports the proposal. Synergy notes that the rule change will also enable a Rule Participant to appeal the IMO's decision to de-register it to the ERB. Synergy considers that the proposed amendments should not commence until after the Regulations have been appropriately changed or a Rule Participant will be unable to appeal a decision by the IMO to cancel its registration.

Alinta does not oppose the rule change and suggests some minor drafting changes to the proposed amendments.

The assessment by submitting parties as to whether the proposal would better the Wholesale Market Objectives is summarised below:

<b>Submitter</b>	<b>Wholesale Market Objective Assessment</b>
Alinta	Likely to be consistent, and in any event unlikely to be inconsistent
LGP	Consistent
Synergy	Betters (a)

**4.2 The IMO's response to submissions received during the First Submission Period**

The IMO's response to each of the issues identified during the first submission period is presented in the table over the page:

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Clause/Issue	Submitter	Comment/Change Requested	IMO's response
Commencement of Reviewable Decision	Synergy	RC_2010_31 should not commence until after the Regulations have been appropriately changed or a Rule Participant will be unable to appeal a decision by the IMO to cancel its registration.	The IMO agrees that the proposed amendments should not commence until after the Regulations have been appropriately changed and will work with the Office of Energy to ensure RC_2010_31 is not commenced until the Regulations have been changed.
2.32.7A, 2.32.7B, 2.32.7C, 2.32.7E	Alinta	Alinta suggests a number of amendments to clauses 2.32.7A, 2.32.7B, 2.32.7C and 2.32.7E, to clarify that a Rule Participant has an obligation to meet <u>all</u> of the criteria specified in clause 2.28.19, and that the IMO may issue a Registration Correction Notice to a Rule Participant who fails to meet any one (or more) of these criteria.	The IMO agrees with Alinta's suggestion and has modified the proposed amendments accordingly.
2.32.7C(b)	Alinta	Alinta suggests the following amendments to clause 2.32.7C(b):  (b) A request that the Rule Participant: (i) correct the circumstances that <u>have led to it no longer meeting all of the criteria in clause 2.28.19</u> <del>are the subject of the Registration Correction Notice</del> ; or (ii) provide evidence to the IMO that <u>it continues to meet all of the criteria specified in clause 2.28.19</u> <del>it should remain registered as a Rule Participant</del> ; and	The IMO agrees that a Rule Participant issued with a Registration Correction Notice may not actually need to take any corrective action but rather to provide evidence to the IMO that it continues to meet all the required criteria, and has updated the proposed amendments accordingly. However, the IMO notes that where a Rule Participant needs to take corrective action it would also need to provide the IMO with evidence that it had done so.

### 4.3 Public Forums and Workshops

No public forums or workshops were held in relation to this Rule Change Proposal.

### 4.4 Additional Amendments to the Amending Rules

Following the first submission period the IMO has made some additional changes to the proposed Amending Rules, in response to suggestions received from Alinta. Please refer to section 4.2 for further details of Alinta's suggested amendments. The IMO has also made a number of minor and typographical changes to improve the integrity of the proposed Amending Rules.

The additional amendments are contained in Appendix 3 of this report.

## 5. THE IMO'S ASSESSMENT

In preparing its Draft Rule Change Report, the IMO must assess the Rule Change Proposal in light of clauses 2.4.2 and 2.4.3 of the Market Rules.

Clause 2.4.2 outlines that the IMO "*must not make Amending Rules unless it is satisfied that the Market Rules, as proposed to be amended or replaced, are consistent with the Wholesale Market Objectives*". Additionally, clause 2.4.3 states, when deciding whether to make Amending Rules, the IMO must have regard to the following:

- any applicable policy direction from the Minister regarding the development of the market;
- the practicality and cost of implementing the proposal;
- the views expressed in submissions and by the MAC; and
- any technical studies that the IMO considers necessary to assist in assessing the Rule Change Proposal.

The IMO notes that there has not been any applicable policy direction from the Minister or any technical studies commissioned in respect of this Rule Change Proposal.

The IMO's assessment is outlined in the following sections.

### 5.1 Wholesale Market Objectives

The IMO considers that the Market Rules as a whole, if amended, will be consistent with the Wholesale Market Objectives.

Wholesale Market Objective	Consistent with objective
(a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system	Yes
(b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors	Yes
(c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions	Yes
(d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system	Yes
(e) to encourage the taking of measures to manage the amount of	Yes

Wholesale Market Objective	Consistent with objective
electricity used and when it is used	

Furthermore, the IMO considers that the Market Rules if amended would not only be consistent with the Wholesale Market Objectives but also allow the Market Rules to better address Wholesale Market Objective (a):

Impact	Wholesale Market Objectives
Allow the Market Rules to better address objective	a
Consistent with objective	b, c, d, e
Inconsistent with objective	-

The IMO considers that the proposed amendments will promote Market Objective (a) by ensuring that the IMO does not need to undertake a lengthy and costly process of applying to the ERB should it wish to de-register Rule Participants. The IMO considers that its proposed process is a more economically efficient process than the status quo.

## 5.2 Practicality and Cost of Implementation

### Cost:

The proposed amendments will not require any changes to the IMO's IT systems. Some minor changes will be required to the IMO's internal procedures. The costs of these changes fall within the IMO's normal operating budget.

The proposed amendments do not require any changes to any of System Management's systems or procedures. In addition there have been no identified changes to other Rule Participants' costs.

### Practicality:

The IMO has not identified any issues with the practicality of implementing the proposed changes.

## 5.3 Market Advisory Committee

The proposal was presented to the MAC at the 9 February 2011 meeting.

During this meeting, Mrs Jacinda Papps provided an overview of the IMO's proposal. The following points were raised by MAC members.

- The Chair noted that the IMO had issued cure notices to a company in liquidation, which did not wish to remain a Market Participant but was unable to pay the required de-registration fee. Mr Dykstra queried whether de-registration fees were cost-reflective. Mrs Papps confirmed that this was the case. Mr Dykstra suggested incorporating these fees with registration fees. Mrs Papps responded that this would not remove the problem completely as the IMO would still need to initiate the de-registration process in some cases.
- Mr Dykstra queried whether it really mattered if these Rule Participants were not de-registered. Mr Dykstra noted that a significant amount of paperwork was involved in the registration of a Rule Participant, and suggested that it could be valuable to an inactive Rule Participant to keep the option to retain its registration status. Mrs Papps responded that the focus of the proposal was to deal with Rule Participants that no longer met the criteria for their registration (e.g. were no longer companies). Mr Dykstra then questioned whether in that case the criteria

listed in the proposed new clauses 2.32.7B(b) and 2.32.7B(c) were really relevant.

- Mr Ken Brown noted that Perth Energy was registered as a Rule Participant for some time before it began to actively participate in the market. Mr Forward confirmed that the IMO's focus was on Rule Participants that no longer met the criteria for registration. There was general agreement among MAC members that this should be the only criterion for the IMO to issue a Registration Correction Notice to a Rule Participant.
- The Chair confirmed that MAC members had no other issues or queries relating to PRC\_2010\_31. The IMO undertook to remove criteria (b) and (c) from the proposed new clause 2.32.7B, and then formally submit the proposal into the Rule Change Process.

#### **5.4 Views Expressed in Submissions**

The IMO received three submissions during the first submission period. LGP and Synergy support the proposed amendments, although Synergy considers that they should not commence until after the Regulations have been appropriately changed, to ensure that a Rule Participant will be able to appeal a decision by the IMO to cancel its registration.

Alinta did not oppose the proposal and suggested some amendments to improve the clarity of the drafting.

The IMO's response to each of the issues raised in submissions is available in section 4.2 of this report.

## **6. THE IMO'S DRAFT DECISION**

The IMO's draft decision is to accept the Rule Change Proposal as modified by the amendments outlined in section 4.4 and specified in Appendix 3 of this report.

### **6.1 Reasons for the decision**

The IMO has made its decision on the basis that the Amending Rules:

- will allow the Market Rules to better address Wholesale Market Objective (a);
- are consistent with the remaining Wholesale Market Objectives;
- have the support of the MAC;
- have the support of, or are not opposed by, the submissions received during the first submission period; and
- impose no additional cost on the market.

Additional detail outlining the analysis behind the IMO's reasons is outlined in section 5 of this Draft Rule Change Report.

## **7. PROPOSED AMENDING RULES**

The IMO proposes to implement the following amendments to the Market Rules (~~deleted text, added text~~):

- 2.17.1. Decisions by the IMO made under the following clauses are Reviewable Decisions:

- (a) clause 2.3.8;
- (aA) clause 2.5.9;
- (aB) clause 2.6.4(f);
- (aC) clause 2.7.8(e);
- (aD) clause 2.10.13;
- (aE) clause 2.10.14;
- (b) clause 2.13.28;
- (c) clause 2.28.16;
- (d) clauses 2.30.4 and 2.30.8;
- (e) clause 2.31.10;
- (eA) Clause 2.32.7E(b);
- (f) clause 2.34.7;
- (g) clause 2.34.11;
- (h) clauses 2.37.1 to 2.37.3;
- (i) clause 2.37.6 and 2.37.7;
- (j) clause 4.9.9;
- (k) clause 4.15.1;
- (l) clause 4.27.7;
- (m) clause 4.28.7;
- (n) clauses 5.2.6 and 5.2.7;
- (o) clause 5.3.6; and
- (p) clause 10.2.1.

2.31.13. The IMO may only reject an application if:

- (e) in the case of an application to register as a Rule Participant in any class where the person has previously been de-registered as a Rule Participant following an order from the Electricity Review Board or de-registered by the IMO under clause 2.32.7E(b), the IMO is not satisfied that person has remedied the reason for or underlying cause of the prior de-registration;

2.32.7A. The IMO may at any time review whether a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) continues to meet all of the criteria specified in clause 2.28.19.

2.32.7B. If the IMO becomes aware that a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) no longer meets all of the criteria specified in clause 2.28.19, the IMO may issue a Registration Correction Notice to that Rule Participant.

2.32.7C. Each Registration Correction Notice must:

- (a) specify which of the criteria specified in clause 2.28.19 the IMO considers the Rule Participant no longer meets;
- (b) require that the Rule Participant:
  - i. correct the circumstances that have led to it no longer meeting all of the criteria specified in clause 2.28.19 and provide evidence to the IMO that it has done so; or
  - ii. provide evidence to the IMO that it continues to meet all of the criteria specified in clause 2.28.19;
- (c) specify a date and time for the Rule Participant to respond to the Registration Correction Notice, which must be at least 90 days from the date of the Registration Correction Notice; and
- (d) specify a date and time from which the de-registration of the Rule Participant will become effective, should that Rule Participant not provide evidence in response to the Registration Correction Notice that is satisfactory to the IMO.

2.32.7D. Where the IMO has issued a Registration Correction Notice it may extend the deadline for:

- (a) correcting the circumstances that are the subject of the notice; or
  - (b) responding to the notice
- for any period that it considers is appropriate in the circumstances.

2.32.7E. The IMO must consider any evidence or submissions provided by a Rule Participant in response to a Registration Correction Notice and determine whether:

- (a) it is satisfied that the Rule Participant meets all of the criteria specified in clause 2.28.19. If so, the IMO will notify the Rule Participant that no further action will be taken; or
- (b) it is not satisfied that the Rule Participant meets all of the criteria specified in clause 2.28.19. If so, the IMO will issue a De-registration Notice notifying the Rule Participant that it will cease to be registered from the date and time specified in the De-registration Notice and the Rule Participant will cease to be registered with effect from that date and time.

2.32.7F. Where the IMO de-registers a Rule Participant it must also de-register all of the Facilities registered by the Rule Participant by the time specified in the De-registration Notice. For the avoidance of doubt, the IMO must not de-register a Rule Participant, if that Rule Participant holds Capacity Credits for any of its Facilities.

## **Chapter 11: Glossary**

**De-registration Notice:** means the notice issued by the IMO under clause 2.32.7E(b).

**Registration Correction Notice:** means a notice issued by the IMO under clause 2.32.7B.

## APPENDIX 1: IMO'S RULE CHANGE PROPOSAL

### Background

The IMO notes in its Rule Proposal that generally, anyone subject to the Wholesale Electricity Market Rules (Market Rules) is required to register as a Rule Participant (there are some exemptions available). Since different Market Rules relate to different types of participants, a number of Rule Participant classes are defined (clause 2.28.1). In general, a Rule Participant can belong to more than one class, except where this is explicitly restricted. Rule Participants who trade, or intend to trade, in the Wholesale Electricity Market (WEM) are required to register as a Market Participant (i.e. Market Generator or a Market Customer).

Under the Market Rules there are currently two avenues for Rule Participant de-registration, these are:

#### 1) The Rule Participant applying to the IMO to be de-registered:

- Prior to an applicant applying to be de-registered as a Rule Participant they must have undertaken the following steps where they are also a Market Participant:
  - i. ensure any Facilities registered do not hold Capacity Credits; and
  - ii. apply to have its Facilities de-registered or transferred to another Rule Participant);
- Once the relevant Facility(s) has been transferred or de-registered by the IMO, the Rule Participant can apply to be de-registered. De-registration as a Rule Participant will only be effective from the date on which all (if any) outstanding debts to the market have been settled (clause 2.31.16).
- When all accounts have been settled and de-registration is effective, the IMO will repay any credit support held and, upon provision of a release form for execution by IMO Directors, release the fixed and floating charge.
- As per clause 2.31.16 of the Market Rules a Rule Participant's obligations will cease from the end of the first Business Day in which:
  - i. their application to de-register from a Rule Participant class has been accepted by the IMO;
  - ii. the Rule Participant has de-registered all their facilities applicable to the class to be de-registered from;
  - iii. all outstanding disputes, investigations and enforcement actions have been resolved and settled;
  - iv. all outstanding debts to the IMO have been paid; and
  - v. the Rule Participant has received final payment for the amounts owed to it by the IMO.
- The IMO may deny an application for de-registration (for reasons set out in clause 2.31.13 of the Market Rules). The IMO's decision to deny an application for de-registration may be appealed to the Electricity Review Board (ERB) (clause 2.17.1(e)).
- It should be noted that this de-registration process attracts the following fees:

- i. Rule Participant de-registration application fee: \$290 per application; and
- ii. Either- Facility de-registration application fee: \$250 per application or Facility transfer application fee: \$320 per application.

**2) The IMO applying to the Electricity Review Board (ERB) for the Rule Participant to be de-registered:**

- Where a Rule Participant has been suspended for 90 days, the IMO may apply to the ERB for a de-registration order in accordance with the Regulations;
- Where the IMO receives notice that the ERB has made a decision in accordance with the Regulations that a Rule Participant be de-registered, the relevant Rule Participant ceases to be a Rule Participant from the time specified in the notice. The IMO must de-register all of the Facilities registered by the Rule Participant by the time specified in the notice (clause 2.32.7);
- It should be noted that applying to the ERB for a de-registration order is a lengthy and costly process.

The de-registration of a Rule Participant does not affect any rights, obligations or liabilities arising under or in connection with these Market Rules prior to the time the Rule Participant ceases to be a Rule Participant.

The Market Procedure: Registration and De-registration of Rule Participants outlines the processes that need to be followed by:

- Applicants when registering as a Rule Participant;
- Rule Participants when wishing to register in an additional Rule Participant class or wishing to de-register from one or more classes; and
- The IMO when processing applications for Rule Participant registration or de-registration.

**Issue**

While there are two processes outlined in the Market Rules for Rule Participant de-registration, to de-register a Rule Participant (in either the Market Generator or Market Customer class) who no longer meets the requirements of its original registration (for example, no longer satisfies the criteria outlined in clause 2.28.19 of the Market Rules), the IMO needs to undertake a lengthy and costly process of going to the ERB to de-register that Rule Participant. This assumes that the Rule Participant is either unwilling- or even unable - to pay the de-registration application fees to de-register themselves. Even if the IMO removes the fees for de-registration<sup>1</sup> it should be noted that there are some instances where the IMO would still need to initiate the de-registration process.

In situations where the Rule Participant no longer meets the requirements of its original registration, the IMO considers that it should be able to de-register the Rule Participant without the need to go to the ERB.

**Proposal**

The IMO proposes to be able to de-register a Rule Participant if it is clear that the Rule Participant no longer meets the requirements of its original registration as stated in clause 2.28.19 of the Market Rules.

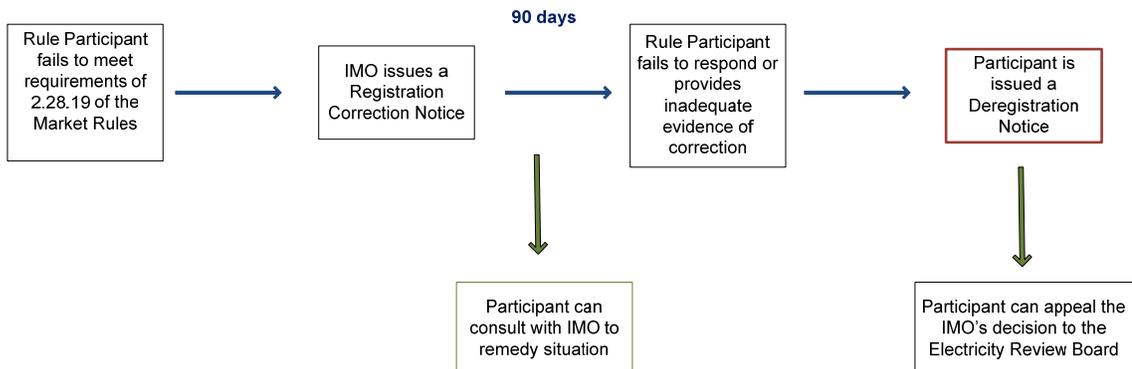
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<sup>1</sup> The IMO has indicated that it will review this as part of its fee setting process in 2011.

The IMO proposes the following process:

- The IMO will identify that the Rule Participant no longer meets the criteria for registration outlined in clause 2.28.19;
- The IMO will prepare and issue a Registration Correction Notice which includes a proposed date for de-registration. This notice will allow 90 days for the Rule Participant to make submissions to the IMO stating any reason why the IMO should not de-register the participant and how it can correct the situation;
- In cases where the IMO does not receive any submissions from the Rule Participant at the end of the 90 day period (outlined in the Registration Correction Notice), or the Rule Participant does not provide the IMO with sufficient evidence proving that it has the potential to remedy the situation, the IMO will issue a De-registration Notice formally notifying the Rule Participant that it will cease to be registered from the time and date specified in that De-registration Notice. The IMO must also de-register all of the Facilities (if there are any) registered by the Rule Participant by the time specified in the notice (clause 2.32.7), unless these Facilities hold Capacity Credits;
- In situations where the Rule Participant makes a submission (on the Registration Correction Notice) the IMO must consider it before making a decision;
- In accordance with the other de-registration processes within the Market Rules, this proposal does not affect any rights, obligations or liabilities arising under or in connection with these Market Rules prior to the time the Rule Participant ceases to be a Rule Participant; and
- The Rule Participant will be able to appeal the IMO's decision to de-register it to the ERB (this will be facilitated by adding the clause which enables the IMO to make a decision to de-register a Rule Participant to the list of Reviewable Decisions. The IMO acknowledges the need to liaise with the Office of Energy to ensure that this amendment is also reflected in the Electricity Industry (Wholesale Electricity Market) Regulations 2004).

For a graphical representation of the process, please see below.



## APPENDIX 2: PROPOSED AMENDING RULES IN THE RULE CHANGE PROPOSAL

The IMO proposed the following amendments to the Market Rules (~~deleted text~~, added text):

- 2.17.1. Decisions by the IMO made under the following clauses are Reviewable Decisions:
- (a) clause 2.3.8;
  - (aA) clause 2.5.9;
  - (aB) clause 2.6.4(f);
  - (aC) clause 2.7.8(e);
  - (aD) clause 2.10.13;
  - (aE) clause 2.10.14;
  - (b) clause 2.13.28;
  - (c) clause 2.28.16;
  - (d) clauses 2.30.4 and 2.30.8;
  - (e) clause 2.31.10;
  - (eA) Clause 2.32.7E(b);
  - (f) clause 2.34.7;
  - (g) clause 2.34.11;
  - (h) clauses 2.37.1 to 2.37.3;
  - (i) clause 2.37.6 and 2.37.7;
  - (j) clause 4.9.9;
  - (k) clause 4.15.1;
  - (l) clause 4.27.7;
  - (m) clause 4.28.7;
  - (n) clauses 5.2.6 and 5.2.7;
  - (o) clause 5.3.6; and
  - (p) clause 10.2.1.
- 2.31.13. The IMO may only reject an application if:
- ...
- (e) in the case of an application to register as a Rule Participant in any class where the person has previously been de-registered as a Rule Participant following an order from the Electricity Review Board or de-registered by the IMO under clause 2.32.7E(b), the IMO is not satisfied

that person has remedied the reason for or underlying cause of the prior de-registration;

...

2.32.7A The IMO may at any time review whether a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) continues to meet the criteria specified in clause 2.28.19.

2.32.7B If the IMO becomes aware that a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) no longer meets the criteria to be a Rule Participant, as outlined in clause 2.28.19, the IMO may issue a Registration Correction Notice to that Rule Participant.

2.32.7C Each Registration Correction Notice must include:

- (a) the reason for the issue of the Registration Correction Notice;
- (b) A request that the Rule Participant correct the circumstances that are the subject of the Registration Correction Notice;
- (c) A request to provide evidence to the IMO that it should remain registered as a Rule Participant;
- (d) A date and time for response, which must be at least 90 Days from the date of the Registration Correction Notice;
- (e) A date and time from which the de-registration of the Rule Participant will become effective, should that Rule Participant not provide sufficient evidence under paragraphs (b) or (c).

2.32.7D Where the IMO has issued a Registration Correction Notice it may extend the deadline for:

- (a) correcting the circumstances that are the subject of the notice; or
- (b) responding to the notice

for any period that it considers is appropriate in the circumstances.

2.32.7E The IMO must consider any evidence or submissions provided by a Rule Participant in response to a Registration Correction Notice and determine whether:

- (a) It is satisfied that the Rule Participant should remain registered. If so, the IMO will notify the Rule Participant that no further action will be taken; or
- (b) It is not satisfied that the Rule Participant should remain registered. If so, the IMO will issue a De-registration Notice notifying the Rule Participant that it will cease to be registered from the time and date specified in the De-registration Notice and the Rule Participant will cease to be registered with effect from that date and time.

2.32.7F Where the IMO de-registers a Rule Participant it must also de-register all of the Facilities registered by the Rule Participant by the time specified in the De-

registration Notice. For the avoidance of doubt, the IMO must not de-register a Rule Participant, if that Rule Participant holds Capacity Credits for any of its Facilities.

## Chapter 11: Glossary

**De-registration Notice:** means the notice issued by the IMO under clause 2.32.7E(b)

**Registration Correction Notice:** means a notice issued by the IMO under clause 2.32.7B

### APPENDIX 3: ADDITIONAL AMENDMENTS MADE BY THE IMO FOLLOWING THE FIRST SUBMISSION PERIOD

The IMO has made some revisions to the Amending Rules following its assessment of the first submission period responses. These changes are as follows (~~deleted text~~, added text):

2.32.7A<sub>2</sub> The IMO may at any time review whether a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) continues to meet all of the criteria specified in clause 2.28.19.

2.32.7B<sub>2</sub> If the IMO becomes aware that a Rule Participant registered in the classes outlined in clause 2.28.1(b) or (c) no longer meets all of the criteria ~~to be a Rule Participant, as outlined~~ specified in clause 2.28.19, the IMO may issue a Registration Correction Notice to that Rule Participant.

2.32.7C<sub>2</sub> Each Registration Correction Notice must ~~include~~:

- (a) ~~the reason for the issue of the Registration Correction Notice;~~ specify which of the criteria specified in clause 2.28.19 the IMO considers the Rule Participant no longer meets;
- (b) ~~A request require~~ that the Rule Participant:
  - i. ~~correct the circumstances that are the subject of the Registration Correction Notice; have led to it no longer meeting~~ all of the criteria specified in clause 2.28.19 and provide evidence to the IMO that it has done so; or
  - ii. provide evidence to the IMO that it continues to meet all of the criteria specified in clause 2.28.19;
- ~~(c) A request to provide evidence to the IMO that it should remain registered as a Rule Participant;~~
- ~~(dc)~~ A date and time for responses specify a date and time for the Rule Participant to respond to the Registration Correction Notice, which must be at least 90 Days days from the date of the Registration Correction Notice; and
- ~~(ed)~~ A specify a date and time from which the de-registration of the Rule Participant will become effective, should that Rule Participant not provide sufficient evidence under paragraphs (b) or (c) evidence in response to the Registration Correction Notice that is satisfactory to the IMO.

2.32.7D<sub>2</sub> Where the IMO has issued a Registration Correction Notice it may extend the deadline for:

- (a) correcting the circumstances that are the subject of the notice; or
- (b) responding to the notice

for any period that it considers is appropriate in the circumstances.

- 2.32.7E<sub>2</sub> The IMO must consider any evidence or submissions provided by a Rule Participant in response to a Registration Correction Notice and determine whether:
- (a) ~~It is~~ satisfied that the Rule Participant ~~should remain registered~~ meets all of the criteria specified in clause 2.28.19. If so, the IMO will notify the Rule Participant that no further action will be taken; or
  - (b) ~~It is~~ not satisfied that the Rule Participant ~~should remain registered~~ meets all of the criteria specified in clause 2.28.19. If so, the IMO will issue a De-registration Notice notifying the Rule Participant that it will cease to be registered from the ~~time and date~~ and time specified in the De-registration Notice and the Rule Participant will cease to be registered with effect from that date and time.
- 2.32.7F<sub>2</sub> Where the IMO de-registers a Rule Participant it must also de-register all of the Facilities registered by the Rule Participant by the time specified in the De-registration Notice. For the avoidance of doubt, the IMO must not de-register a Rule Participant, if that Rule Participant holds Capacity Credits for any of its Facilities.

## Chapter 11: Glossary

**De-registration Notice:** means the notice issued by the IMO under clause 2.32.7E(b)<sub>2</sub>

**Registration Correction Notice:** means a notice issued by the IMO under clause 2.32.7B<sub>2</sub>