



Independent Market Operator

**Wholesale Electricity Market
Compliance Report**

**21 September 2009 - 20 March
2010**



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 September 2009 - 20 March 2010.

2. Report for the period 21 September 2009 - 20 March 2010

Proceedings that have been brought before the Energy Review Board

No new proceedings were brought before the Energy Review Board in the period 21 September 2009 to 20 March 2010.

Findings of the Energy Review Board on matters referred to them

No 1 of 2008

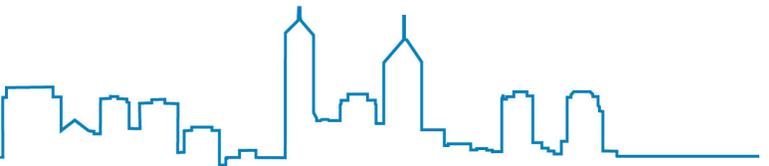
On 29 October 2008 the IMO applied for orders to be made against Alinta Sales (Alinta). The application was made on the basis of the IMO's finding that on 8 August 2008 and on 8 September 2008 Alinta had breached clause 7.9.1(b) of the Market Rules when it synchronised to the system without giving the notice required by the Market Rules.

Clause 7.9.1 requires Market Participants to confirm with System Management the expected time of synchronisation before synchronising a scheduled generation to the system.

The application was made under regulation 32(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, and sought the following orders:

- 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



The ERB found that Alinta was in breach of the Market Rules on 8 August 2008 when it failed to confirm with System Management the expected time of synchronisation in respect of its Wagerup facility five minutes before it synchronised to the network at 16:00 WST.

The Energy Review Board found that Alinta was in breach of the Market Rules on 8 September 2008 when it failed to confirm with System Management the expected time of synchronisation in respect of its Wagerup facility five minutes before it synchronised to the network at 11:22 WST.

No 3 of 2008

On 22 December 2008 the IMO applied 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 when energy generated at its Pinjarra facility exceeded the levels in Alinta's resource plan.

Clause 7.10 1 requires Market Participants to comply with Resource Plans.

The application was made under regulation 32(1) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2000* and 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 and 4 September 2009.

The Energy Review Board found that Alinta had breached clause 7.10.1 of the Market Rules by exceeding its scheduled energy output for Unit 1 at its Pinjarra facility in three consecutive trading intervals on 16 September 2008.

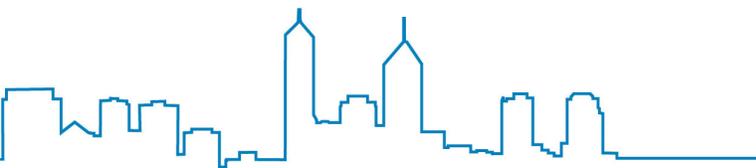
Orders made by the Energy Review Board

No 1 of 2008

In relation to No. 1 of 2008 the ERB made various orders in relation to the proceedings on 6 March 2009, 10 June 2009 and 14 October 2009.

On 12 March 2010 the Energy Review Board released its decision and made the following orders:

1. That Alinta pay the IMO a penalty of \$12,000; and
2. That Alinta pay the IMO a penalty of \$24,000; and



3. That Alinta pay the IMO's costs of the application to be agreed or assessed by the Board.

No 3 of 2008

In relation to No. 3 of 2008 the Energy Review Board made various orders in relation to the proceedings on 11 March 2009, 11 June 2009, 12 August 2009 and 5 November 2009.

On 18 December 2009 the ERB released its decisions and reasons.

On 10 February 2010 the ERB issued a correction to its earlier decision, and made the following orders:

- 1 That a penalty of \$17,500 be imposed on Alinta in respect of the breach: and
- 2 That Alinta pay the IMO the penalty of \$17,500; and
- 3 That Alinta should also pay the IMO's costs to be agreed or assessed by the Board.

The full text of the orders of the ERB is available on the Energy Authority Website at:

<http://www.era.wa.gov.au/1/54/43/electricity.pm>

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.