
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2007_07 Discretion of IMO to Decide Whether to Issue Warning

Submitted by

Name:	Ignatius Chin
Phone:	9213 1916
Fax:	9213 1999
Email:	Ignatius.chin@era.wa.gov.au
Organisation:	<i>Economic Regulation Authority</i>
Address:	Level 6, 197 St Georges Terrace, Perth WA 6000
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Submission

- Please provide your views on the proposal, including any objections or suggested revisions.**

BACKGROUND

Under the current Market Rules, if an investigation into an alleged rule breach leads the IMO to reasonably believe that a breach of the Market Rules or the Market Procedures has taken place, the IMO must issue a warning to the participant/person concerned.

The IMO considers this requirement to issue a warning to be inappropriate where the event is minor or has already been corrected by the time the IMO is made aware of it.

This rule change proposal aims to provide the IMO with the discretion to issue a warning letter, once it has completed an investigation into an alleged rule breach.

AUTHORITY'S POSITION

The Authority agrees that the current provision in the Market Rules, which does not provide the IMO with the option to issue a warning, is unnecessarily prescriptive.

However, the Authority's view is that where a Market Rule or Market Procedure is breached, normal administrative procedures would ensure that rule participants are notified where a Market Rule or Market Procedure breach has been recorded.

2. Please provide an assessment whether the change will better facilitate the achievement of the Market Objectives.

The Authority notes that the benefits of this rule change proposal, in meeting the Market Objectives, have been extensively discussed in the *Original Submission* (dated 11 June 2007), IMO's *Rule Change Notice* (dated 19 June 2007) and the IMO's *Draft Market Rule Change Report* (dated 28 August 2007).

The Authority agrees with the stated benefits.

3. Please indicate if the proposed change will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

Not applicable.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed.

Not applicable.
