

EN402*

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES
Amending Rules No. 1 (November 2006)

I, Francis Logan, Minister for Energy for the State of Western Australia, under regulation 6(2) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* hereby make the amending rules contained in this document.

These amending rules are to commence at 8:00am (WST) on 1 December 2006.

FRANCIS LOGAN MLA, Minister for Energy.

Dated at Perth this 20th day of November 2006.

1. Market Rule 4.26.1 amended

(1) Deleting the existing clause 4.26.1, and replacing it with the following—

4.26.1 If a Market Participant holding Capacity Credits fails to comply with its Reserve Capacity Obligations applicable to any given Trading Interval then the Market Participant must pay a refund to the IMO calculated in accordance with the following provisions.

REFUND TABLE

Season	Cold	Intermediate	Hot
Dates	1 April to 1 October	1 October to 1 December	1 December to 1 April
Off-Peak Trading Interval Rate (\$ per MW shortfall per Trading interval)	$2 \times Y$	$2 \times Y$	$2 \times Y$
Peak Trading Interval Rate (\$ per MW shortfall per Trading interval)	$8 \times Y$	$8 \times Y$	$8 \times Y$
Maximum Daily Rate (\$ per average MW shortfall per Trading Interval over a Trading Day)	$5 \times Y$	$5 \times Y$	$5 \times Y$
Maximum Seasonal Rate (\$ per average MW shortfall per Trading Interval over a Season)	$0.6 \times Y$	$0.6 \times Y$	$1.8 \times Y$
Maximum Refund	The total value of the Capacity Credit payments paid or to be paid under these Market Rules to the relevant Market Participant for the 12 Trading Months commencing at the start of the Trading Day of the previous 1 October assuming the IMO acquires all of the Capacity Credits held by the Market Participant and the cost of each Capacity Credit so acquired is determined in accordance with clause 4.28.2(b), (c) and (d) (as applicable).		
Where— For an Intermittent Facility that has been commissioned: Y equals 0 For all other facilities, including Intermittent Facilities that have not been commissioned: Y equals the greater of the Reserve Capacity Price and 85% of the Maximum Reserve Capacity Price for the relevant Reserve Capacity Auction expressed as a \$ per MW per Trading Interval figure.			

2. Market Rule 4.26.3 amended

(1) Deleting the existing clause 4.26.3, and replacing it with the following—

4.26.3 For each Market Participant holding Capacity Credits, the IMO must determine the amount of the refund (“**Capacity Cost Refund**”) to be applied for Trading Month *m* in respect of a Capacity Shortfall as defined in clauses 4.26.2 during that Trading Month. The Capacity Cost Refund is the lesser of—

- (a) the Maximum Refund determined in accordance with the Refund Table, less all Capacity Cost Refunds applicable to the Market Participant in previous Trading Months falling in the same Capacity Year as Trading Month *m*; and
- (b) the Maximum Seasonal Rate determined in accordance with the Refund Table, multiplied by the average Trading Interval Capacity Shortfall calculated over the Season within which Trading Month *m* falls, less the sum of the Capacity Cost Refunds applicable to the Market Participant in previous Trading Months which fall in the same Season; and
- (c) the sum of the relevant amounts for Trading Month *m*, where a relevant amount is calculated for each Trading Day *d* in Trading Month *m* and is equal to the lesser of—
 - i. the Maximum Daily Rate determined in accordance with the Refund Table for Trading Day *d* multiplied by the sum over all Trading Intervals *t* in Trading Day *d* of the Capacity Shortfall in Trading Interval *t*; and
 - ii. the sum over all Trading Intervals *t* in Trading Day *d* of the product of—
 1. the Off-Peak Trading Interval Rate or Peak Trading Interval Rate determined in accordance with the Refund Table applicable to Trading Interval *t*; and
 2. the Capacity Shortfall in Trading Interval *t*.