

EN401*

ELECTRICITY INDUSTRY ACT 2004
ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY MARKET) REGULATIONS 2004
WHOLESALE ELECTRICITY MARKET RULES
AMENDING RULES No. 3 (December 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 15 December 2006.

Dated at Perth this day 11th of December 2006.

FRANCIS LOGAN MLA, Minister for Energy.

1. Market Rule 6.6.3 amended

Deleting the existing clause 6.6.3 and replacing it with the following—

- 6.6.3 A Market Generator must not, for any Trading Interval, offer prices within its Portfolio Supply Curve that do not reflect the Market Generator's reasonable expectation of the short run marginal cost of generating the relevant electricity when such behaviour relates to market power.

2. Market Rule 6.6.3A added

A new Rule 6.6.3A to be added as follows—

- 6.6.3A For the purpose of Regulation 37(a) of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004*, where a civil penalty is imposed for a contravention of clause 6.6.3, the civil penalty amount should be distributed amongst all Market Customers in proportion to their Market Fees calculated over the previous full 12 months, or part thereof if Market Commencement was less than 12 months prior to the date the civil penalty is received.

3. Market Rule 2.16.9(b)i amended

Deleting the existing clause 2.16.9(b)i and replacing it with the following—

- 2.16.9(b)i. prices offered by a Market Generator in its Portfolio Supply Curve that do not reflect the Market Generator's reasonable expectation of the short run marginal cost of generating the relevant electricity;

4. Market Rule 2.16.9B amended

Deleting the existing clause 2.16.9B and replacing it with the following—

- 2.16.9B Where the IMO concludes that prices offered by a Market Generator in its Portfolio Supply Curve may not reflect the Market Generator's reasonable expectation of the short run marginal cost of generating the relevant electricity and the IMO considers that the behaviour relates to market power the IMO must—

- (a) as soon as practicable, request an explanation from the Market Participant which has made the relevant STEM Submission; and
- (b) advise the Economic Regulation Authority of its conclusions. The IMO advice must outline the reasons for the IMO's conclusions.

5. Market Rule 2.16.9G amended

Deleting the existing clause 2.16.9G and replacing it with the following—

- 2.16.9G Where the Economic Regulation Authority determines that prices in the Portfolio Supply Curve, subject to the investigation, did not reflect the Market Generator's reasonable expectation of the short run marginal cost of generating the relevant electricity, the Economic Regulation Authority must request that the IMO applies to the Energy Review Board for an order for contravention of clause 6.6.3.

6. Market Rule 2.16.9I deleted

Deleting the existing clause 2.16.9I.

7. Market Rule 2.16.9J deleted

Deleting the existing clause 2.16.9J.