



INDEPENDENT
MARKET
OPERATOR

Vinalco Energy Pty Ltd Investigation – Extension Notice

This extension notice is given under clause 2.16.9FA of the Wholesale Electricity Market Rules.

Background

The IMO has referred two separate investigations (involving alleged breaches of the Market Rules by Vinalco Energy Pty Ltd) to the Economic Regulation Authority under clause 2.16.9B.

Clause 2.16.9B relevantly states:

Where the IMO concludes that:

...
(aA) prices offered by a Market Generator in its Balancing Submission may exceed the Market Generator's reasonable expectation of the short run marginal cost of generating the relevant electricity; or

...
and the IMO considers that the behaviour relates to market power, the IMO must:

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

The IMO advised the ERA of its conclusions under clause 2.16.9B(d) on 23 June 2014 (in relation to the first investigation) and 28 July 2014 (in relation to the second investigation).

Under clause 2.16.9F, the ERA must publish the results of its investigation within six months after receiving the IMO's advice, but may extend the timeframe for its investigation by further periods of up to six months.

Extension of investigation timeframe

On 19 December 2014 the ERA advised the IMO that it had extended the investigation timeframe for both investigations until 30 April 2015.

On 29 April 2015 the ERA advised the IMO that it had extended the investigation timeframe for both investigations until 30 June 2015.

Further extension of investigation timeframe

The ERA has extended the investigation timeframe for both investigations until 30 October 2015.

Further information is available on the ERA's website at <http://www.erawa.com.au/electricity/wholesale-electricity-market/surveillance/investigation-on-vinalco-energy-pty-ltd>

KYLIE O'KEEFFE
GROUP MANAGER – LEGAL AND COMPLIANCE
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