

Independent Market Operator

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New facilities commissioned successfully

The IMO welcomes the commissioning of new generation on the South West Interconnected System (SWIS) which will further enhance reliability through diversification.

Alinta has commissioned a new unit at its Pinjarra site, the renewable energy fuelled Mount Herron Power Station has been commissioned, and Verve Energy's Muja D plant has had turbine upgrades.

Electricity market customers will benefit from the additional capacity that these generating facilities now offer, and the IMO congratulates the participants responsible for their successful commissioning.

Record load met with capacity to spare

The highest power demand of the summer (and ever recorded on the SWIS) occurred on Wednesday 7 March, when the temperatures reached 42.4 degrees Celsius in Perth. Sent-out generation peaked at 3,364 MW.

For Reserve Capacity purposes, the IMO prepares an annual forecast of peak demand that is only expected to be exceeded in one in every ten years. For next summer 4,115 MW of supply capability is expected to be available, which currently gives a capacity planning margin of over 400 MW over that forecast peak demand.

Capacity offers plentiful for 2009/2010

The IMO has just completed the reserve capacity Expressions of Interest process, which is the first step in the reserve capacity mechanism cycle.

Additional capacity totalling 1,404 MW has been offered, of which 645 MW is fuelled from renewable sources, 50 MW is demand-side management, 264 MW is fuelled by coal, and 445 MW is fuelled by natural gas. Our preliminary estimate of required capacity to meet demand in 2009/2010 is 4,463 MW, which includes a margin for reserve capacity. Of this, we estimate that 4,384 MW will be met through capacity already certified for previous reserve capacity cycles. This leaves a potential requirement of around 80 MW for 2009/10.

The IMO will update the forecast of demand when it releases the 2007 Statement of Opportunities report in July.

The IMO is pleased with the positive response to the Expression of Interest process. The next stage in the reserve capacity mechanism is the certification of capacity, which started on 1 May 2007 and closes on 20 July 2007.

Further details are available on the Reserve Capacity section of the IMO website.

Six months of Market Operations

Information on prices and volumes in the wholesale electricity market is published on the IMO's website, including a weekly market report and the IMO's inaugural six-monthly report.

The six monthly report, "Six Months of Electricity Trading in the WEM", includes data such as the duration of various levels of load on the SWIS, average prices, and trading volumes. It can be found at http://www.imowa.com.au/imopubs_corporate_publications.htm

Rule Change Process

The first rule change proposal has been finalised through the formal rule change process. The proposal was to remove Verve Energy's exemption from notifying System Management prior to facility synchronisation and desynchronisation, and was initiated by System Management.

The rule change process was designed to maximise openness and transparency. Any significant changes to the Market Rules go through a full consultation process, which involves two rounds of public submissions.

The first stage of the rule change process is to notify all market participants of the proposal, and publish the proposal on the IMO web site. A six week submission period then commences, with workshops for participants if needed. Once the submission period has closed, the IMO publishes a draft rule change report summarising the submissions and providing any proposed new rules.

Another twenty days is provided for further submissions on the proposed rules, after which the IMO publishes a final report which summarises all submissions and sets out any rule changes that will come into effect.

Some rule changes may be progressed under a fast track process, with a shorter consultation period. This process may only be used where the matter is minor or procedural, the change is to correct a manifest error, or if the change is urgently required for the safe, effective, and reliable operation of the power system. The first rule change was progressed using this fast track process.

Capacity increases for the Independent Market Operator

The IMO continues to recruit staff as we build towards our full operational team for running and administering the market. A recent appointment was **Barbara Sole**, IMO's first in-house legal advisor. Barbara has previously advised on gas retail markets for various Australian states, and on the New Zealand wholesale electricity market.

Murray Cribb is joining us in late May as the **Manager, Finance and Administration**, and **Melanie McLeod** joins us in June as our **Executive Administrative Assistant**. Murray's previous role was with the Legal Aid Commission.

Other new recruits are **Ryan Matzelle**, who has moved from a role as an Operations Analyst at the Grain Pool in the agricultural sector to join the IMO as a Market Analyst, and **Will Street**, who has joined the IMO as a Market Operator. Will was working with the Wholesale Electricity Market Rules at the Office of Energy in his previous role, so he comes with a strong knowledge of the market.