

watt's on

Competitive Balancing Evaluation

Recently the IMO published a Market Rules Evolution Plan (MREP) Work Programme effectively setting and prioritising the IMO's programme for the next three years. The Market Advisory Committee (MAC) has played an integral part in prioritising this work.

The key areas identified, in no particular order, are 1) improvements to the Balancing Mechanism, 2) STEM, 3) closer alignment of gas and electricity nominations and 4) introducing markets in Ancillary Services. Some of these featured in the recently published Oates Review. As these areas are interrelated, work will commence on them simultaneously.

To facilitate the process, the IMO held a number of fact-finding meetings with Market Participants and interested stakeholders to canvas opinions on the key issues. The meetings were held in the last week of November 2009.

It is important that we gain a real understanding as to why these issues were prioritised by MAC members, what issues and risks the current mechanisms impose on businesses, the impacts an improved balancing mechanism might have on businesses and any related issues we should be aware of as we move forward with the review.

The meetings were attended by Jim Truesdale from Concept Consulting and Greg Thorpe from Oakley Greenwood and the Oates Implementation Committee, together with Troy Forward, Manager Market Development and System Capacity and Jacinda Papps, Senior Analyst Market Development from the IMO.

The findings of the meetings will be presented to the MAC later this month.

LOADWATCH 2010

SUMMER 10

LoadWatch, an initiative introduced by the IMO for the first time last summer, was well received by the market. LoadWatch: Summer 10 will be a weekly report providing information on the level of available capacity and electrical load for the previous week. It will forecast temperatures and load for the coming week. LoadWatch will be published each Monday afternoon and can be found at www.imowa.com.au/loadwatch

For more information contact **Neil Hay, Manager Market Operations** T: 9254 4313 E: neil.hay@imowa.com.au

Capacity Position Coming into Summer

The IMO proactively monitors the status of capacity within the SWIS under the Market Rules. Currently there is enough projected capacity to meet the load requirements of the SWIS during summer 2009/2010. The SWIS is projected to maintain a capacity cushion of between 312 MW and 511 MW during summer 2009/10.

ERA Allowable Revenue Submission

The Allowable Revenue Submission for the next Review Period (2010/11 – 2010/13) was completed and sent to the ERA for approval in November. The submission sets out the funding required for the IMO to undertake its responsibilities under the *Electricity Industry Act 2004* over the next three financial years. The ERA is required to determine the IMO's Allowable Revenue by March 2010.



ENROL EARLY
for next year's courses

Go to www.imowa.com.au/training or contact **Tonia Tardivel-Jones** on T: 9254 4300 E: imo@imowa.com.au

Update

The IMO is continuing to prepare for the annual APEX (Association of Power Exchanges) Asia-Pacific Regional Meeting to be held in Perth in March next year. APEX is an excellent opportunity for Market Operators within the Asia-Pacific region to share experiences and ideas and the IMO is looking forward to its role as host organisation in 2010.

The APEX Regional Meeting breakfast is a separate event to the actual meeting (which is for APEX delegates only) and is open to the whole of the Western Australian energy industry. The breakfast will be jointly hosted by the Australian Institute of Energy (AIE) and the IMO. The event will provide excellent networking opportunities with other participants in the energy sector.

We are currently sourcing speakers for the breakfast from amongst the APEX delegates and will provide more information in the next newsletter. Please book early to secure your seat or reserve a table for eight. This will be an invaluable industry event not to be missed.

Breakfast with Industry REGISTER YOUR INTEREST NOW

Date: **Wednesday 17 March**
Time: **8.00am - 10.00am**
Where: **Parmelia Hilton**
Cost: **\$80 Market Participants,**
\$90 non-Market Participants
Tables of 8: **\$575 Market Participants,**
\$650 non-Market Participants

For registration enquiries contact
Kristy Harris on T: **(08) 9332 6698** or
E: **registrationswa@aie.org.au**



APEX Boston Wrap

In October, Allan Dawson, CEO of the IMO, attended the annual APEX Conference in Boston, Massachusetts. Allan gave a presentation on "Successfully Implementing an Electricity Market with tight supply - the Western Australian market story" which was particularly well received by APEX members from developing countries.

To view the presentation go to www.imowa.com.au/presentations

As a result of the Boston conference, Allan was invited to become a Director of APEX. Participation at this level will give the IMO direct access to information relating to existing and developing markets around the world.

Our APEX Sponsors

The IMO is delighted to have the following sponsors on board for the APEX event and we would like to take this opportunity to thank them for their support:

Sponsors so far:

Diamond	 
Emerald	  
Gold	
Silver	    

Sponsorship opportunities still exist so if you have any interest or would like further information please contact **Justine Oxley, Event Organiser** T: **9254 4352** or E: justine.oxley@imowa.com.au. Sponsorships start from as little as \$650 and will provide your organisation with international exposure to energy industries in other jurisdictions within the Asia-Pacific region.

Current APEX Board members are:

David La Plante	Chairman, Vice President	ISO New England, USA
Peter Haigh	CEO	ELEXON Limited, London, UK
William C Phillips	Vice President	Midwest ISO, USA
Juan Luchilo		CAMMESA, Argentina, South America
Luis Camargo	Financial Operations Manager	XM Compañía de Expertos en Mercados S.A. E.S.P., Colombia, South America.
Dave Carlson	Chief Executive	Energy Market Company Pte Ltd, Singapore
Ann Scully	Manager of All Island Project	Eirgrid, Ireland
Bert den Ouden	Chief Executive	APX-ENDEX, The Netherlands

3rd Anniversary of the WEM

On September 24 the IMO celebrated the third anniversary of the WEM. We were honoured to be joined by the Minister for Energy, the Hon Peter Collier MLC, who kindly addressed the gathering of approximately 100 customers and stakeholders. We were also pleased to welcome so many Participants who have been integral to the success of the WEM.

The IMO would like to take this opportunity to thank all who attended. An event such as this enables our industry to get together in a relaxed environment. It is important that the industry celebrates these milestones and we were encouraged by the level of attendance.



Update on Progress of REG Working Group

The Renewable Energy Generation Working Group has appointed MMA to assist with the resolution of the issue of intermittent generation capacity assessments in the Reserve Capacity Mechanism (Work Package 2 of the renewables project).

We are expecting to finalise this work before Christmas so that any rule change processes can be commenced before capacity certification ends in July 2010.

This will help Market Participants and investors for the 2010 Reserve Capacity Cycle.

The IMO, in conjunction with the Office of Energy and System Management, are finalising the arrangements for the remaining packages of work in the coming weeks.

Energy Price Limits Review

Every year the IMO sets Energy Price Limits which are published on our website. The new Energy Price Limits which became effective from 1 October 2009 are:

- Maximum/Minimum STEM Price is +/- \$276 (this price is valid until 1 October 2010).
- The Alternative Maximum STEM Price was set to \$469 for October but is reviewed monthly to take into account volatility in the crude oil price. For the month of December the price is \$458.

For more information go to http://www.imowa.com.au/price_limits

Congratulations NewGen and Griffin

The IMO would like to congratulate NewGen and Griffin on commissioning their second plants at Neerabup and Collie respectively. NewGen's facility commenced commissioning on 18 August 2009 and started full participation in the energy market on 19 October 2009. Griffin's new Bluewaters 2 commenced commissioning on 19 September 2009 and started full participation in the energy market on 27 November 2009.

Contact the IMO:

We welcome your feedback at any time. If you would like more information or would like to receive a copy of **WATT'S ON**, please email us at imo@imowa.com.au

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SM/IMO Compliance Audit Report

The IMO is subject to an audit of its compliance with the Market Rules and Procedures by a market auditor each year. The IMO's software systems and management processes are also subject to review. As our role is to ensure all Market Participants comply with the rules, similarly our compliance must also be verified.

The audit takes place every August and the subsequent report, which is sent to the Minister and published on the IMO website, is released each September. For more information and to view the latest report go to http://www.imowa.com.au/market_compliance_audit

Staff News

Neil Hay

After four years implementing and establishing Market Operations for the Wholesale Electricity Market, Neil Hay has decided to relinquish his position as Manager. Neil will remain at the IMO during the transition period of his replacement and beyond that he will take a leading role in a number of significant enhancement projects within the IMO. The Board and staff are indebted to Neil for his hard work and effort leading Market Operations to date and we look forward to a continued relationship with him to enhance the IMO's delivery to its customers. A national and international search for a replacement has commenced.

Congratulations Jacinda

In the July edition of Watt's On we reported that Jacinda Papps, Senior Analyst Market Development, would be competing in the 2009 ITU Long Distance Triathlon World Championships which were held in Perth in October.

Her colleagues at the IMO – some of whom were there to cheer her on – were thrilled to see her take the bronze medal in her age group.

Spotlight

Matt Pember, Change Manager

Matt's role is to manage change at the IMO. Matt began his career at The Australian Taxation Office in 1990 where he held an IT role. He completed a Diploma in Business Information Technology and began working at Western Power in the billing department. When the IMO started recruiting in 2006, Matt took up a position as an Operator, but his knowledge of the WEMS and IMO IT systems led to his current position of Change Manager. Outside work Matt is involved in coaching his sons' sporting teams and he enjoys leisurely, relaxed weekends.

