

watt's on

IMO Graduate Program Update

In March 2012, the IMO exhibited at the Curtin Careers Fair and hosted a table at the UWA Big Brekkie.

The IMO's Graduate Development Program, now in its third year, continues to deliver high calibre individuals who go on to become valuable members of the IMO team.



Applications for the Program for next year close on 31 July 2012. For more information, please visit www.imowa.com.au/graduates or contact David Stritch at Hudson Recruitment at David.Stritch@hudson.com.au or call (08) 9323 0244.

The successful graduate will commence at the IMO at the beginning of 2013.



5 yearly review of Planning Criterion and Demand Forecasting Process

The Market Rules require the IMO to undertake reviews at least once every five years of the Planning Criterion and the process by which it forecasts SWIS peak demand.

The IMO has commenced these reviews, which are being undertaken in parallel.

The IMO expects to publish draft reports by August 2012. This will be followed by a public consultation process, including stakeholder workshops.

Further information, including reports from the previous reviews conducted in 2007, may be found at www.imowa.com.au/rcreviews

IMO Training

To view the IMO's training courses for 2012, please visit www.imowa.com.au/training

For more information on training, please contact Tonia Tardivel-Jones at imo@imowa.com.au

Courses are free for Market Participants and \$165 for non-Market Participants. The Market Overview course is recommended for new people coming into the industry. It's also a useful refresher course for existing industry professionals.

calendar

imo
Independent Market Operator

JUNE 2012

29 Applications close for Certified Reserve Capacity for 2014/15 Capacity Year

JULY 2012

1 New Balancing and LFAS Markets go LIVE!

4 **IMO Training** Market Overview **FULLY BOOKED!**

11 **IMO Training** Market Operations and STEM **FULLY BOOKED!**

11 MAC Meeting

18 **IMO Training** Non-STEM Settlements **FULLY BOOKED!**

31 Applications to IMO Graduate Program close

AUGUST 2012

8 MAC Meeting

9 GAB Meeting

15 **IMO Training** Market Overview **BOOK NOW!**

17 IMO confirms assignment of Certified Reserve Capacity for 2014/15 Capacity Year

22 **IMO Training** Market Operations and STEM **BOOK NOW!**

29 **IMO Training** Non-STEM Settlements **BOOK NOW!**

30 Large User Forum

31 Bilateral Trade Declaration submission window closes for 2014/15 Capacity Year

31 Deadline for provision of Reserve Capacity Security for new capacity

SEPTEMBER 2012

11 GAB Meeting

12 MAC Meeting

4 IMO confirms whether Reserve Capacity Auction is required

4 IMO assigns Capacity Credits (if Reserve Capacity Auction is cancelled)

5 **IMO Training** Reserve Capacity Mechanism **BOOK NOW!**

5 Next MOSF – New Bal & LFAS arrangements

12 **IMO Training** Market Overview **BOOK NOW!**

21 6th Anniversary of WEM

Would you like to put something in the IMO newsletter?

If you would like to promote an event or a networking opportunity of interest to the energy industry, please contact **Justine Oxley, Communications Manager** at justine.oxley@imowa.com.au

Receive your copy of watt's on electronically

To reduce printed material, please advise us if you would like to receive your copy of **watt's on** by email.

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We welcome your **feedback** at any time. If you would like to contact us or would like more information please email imo@imowa.com.au

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watt's on

From the CEO

Over the past 18 months, our industry has undergone the most significant changes since the Wholesale Electricity Market (WEM) commenced in 2006. This has involved a huge amount of collaboration with Market Participants who have managed and embraced this period of transformation well, despite challenges along the way.

The IMO has been pleased to drive the Market Evolution Program (MEP) in consultation with stakeholders. The MEP project team has worked hard to develop and implement the new Balancing and Load Following Ancillary Services (LFAS) Markets that will commence on 1 July 2012. Early contributions and feedback received from Participants during the MEP has resulted in an outcome that is appropriate for the WEM at this stage.

The Reserve Capacity Mechanism Working Group (RCMWG) and the outworkings of Renewable Energy Generation Working Group (REGWG) have also been worked on over the past year. These have been largely driven by evolutionary changes identified by the Market. The IMO has also instigated improvements to market systems and to Settlements applications that have been on our IT Roadmap for some time.

The IMO is about to commence work on the Gas Information Services Project (GISP) which now has legislation in place to support the establishment of a Gas Bulletin Board (GBB) and a Gas Statement of Opportunities (GSOO) for WA. The Gas



Allan Dawson, CEO

Services Information Act is now law and regulations to support the Act are expected to be in place by July 2012, at which point funding will be released by Treasury and the GISP will commence at full speed.

One of the IMO's key focus areas in the second half of this year is the Reserve Capacity Mechanism Working Group (RCMWG) which will consider and implement changes and improvements around surplus capacity and its pricing, DSM and forecasting. For more information, please go to www.imowa.com.au/RCMWG

The IMO is now looking forward to a period of stability and consolidation over the next year where we expect to see a more efficient Market take shape as the changes made over the past 18 months come into effect.

We will be watching with interest as many of the ongoing problems experienced by Participants are resolved.

Once again, we commend Participants on their level of collaboration and involvement and we acknowledge and thank all for their contribution.

Large Users Forum

In response to feedback from Participants, the IMO will hold an inaugural Large Users Forum for major electricity users in WA on Thursday 30 August 2012.

The forum will include an overview of the IMO and the Wholesale Electricity Market (WEM), the Reserve Capacity Mechanism (RCM), Demand Side Management (DSM), electricity pricing and the impact of carbon pricing.

This is an opportunity for large electricity users to more fully understand the mechanics of the Wholesale Electricity Market (WEM) in WA and as we are implementing some major changes to the WEM via the MEP, now is an appropriate time to hold a forum of this nature.

If you would like to attend or know of an organisation who may be interested, please contact Tonia Tardivel-Jones at imo@imowa.com.au.

Large Users Forum

Date:

Thursday 30 August 2012

Time:

2.30pm - 4.00pm

Where:

Perth Convention and Exhibition Centre (PCEC)

RSVP:

to **Tonia Tardivel-Jones**, imo@imowa.com.au by Thursday 16 August 2012.

New IMO Offices

In September 2012, the IMO will move from the third to the 17th floor at Governor Stirling Tower. Having occupied half a floor on level three for the past four years, the opportunity to secure a whole floor for IMO operations is welcomed given our expanding mandate, due to the new Balancing and Load Following Ancillary Services Markets and the Gas Information Services Project (GISP).

After an exhaustive search for a lease (which included three separate negotiations that fell through) we are fortunate to have secured the 17th floor given the current high demand for CBD office space. Floors on higher levels of this building also have the advantage of a reduced lift well area resulting in more usable space.

The IMO's current location on level three was always temporary as we took over an existing short term government lease with a known end date. Prior to this office, we occupied a small area in the Forrest Centre when the IMO was first set up.

The new lease has been negotiated for the next ten years giving us a permanent 'home' for the foreseeable future.

We are particularly pleased to be able to remain in this city location so we stay central to our stakeholder group.

A modern, professional fitout has been designed to maximise on-site stakeholder engagement with one third of the total area being dedicated to Participant collaboration. The new boardroom will expand into a joint collaboration area where we will bring the industry together for the various stakeholder forums and meetings we hold throughout the year, including:

- MAC (Market Advisory Committee) meetings and various working group meetings
- Market Operations Stakeholder Forums
- public workshops related to Rule Changes and periodic reviews
- IT User Group meetings
- individual stakeholder functions
- WEM Anniversary or other celebratory industry events
- SOO (Statement of Opportunities) Pre-Launch Forum (a new initiative this year)
- Large User Forum (a new initiative this year)
- GISP Forums and Gas Advisory Board (GAB) meetings



Governor Stirling Tower

Currently, many of these are held off-site.

As well, the IMO training program, which continues to be popular and well supported by the industry, will be better catered for as the boardroom will be a multi-purpose space that can change from a round table set up to an area accommodating up to 50 people. This is in contrast to our existing boardroom where the quota is just 16.

The IMO's relocation to new premises is keenly anticipated as we expect to be able to provide a higher level of service to the industry via better quality stakeholder interaction. We look forward to welcoming you there.

Matt Pember to take up role at Igniter

As the MEP project comes to a conclusion, Matt Pember will leave the IMO in July 2012 to take up a position with Igniter, a New Zealand based management consultancy looking to set up an office in WA.

Matt started working at the IMO prior to the commencement of the WEM in March 2006, as part of the Market Operations team. In August 2009, he was appointed IMO Change Manager. In late 2011, he took over the position of Program Manager for the MEP at the time when the Rules required finalisation and systems

development needed to be completed and implemented.

Over the past few months, Matt has undertaken extensive stakeholder engagement to ensure Participant readiness for the start date of the new Balancing and Load Following Ancillary Services Markets. The Board acknowledges Matt's stewardship of the MEP project in its latter stages and his contribution to the WEM over the past six years.

Matt's new role at Igniter will be to establish the Perth arm of the business and develop a client base. Igniter specialises in process and business improvement for the energy, public and finance services sectors and has worked with the IMO on various



*Matt Pember,
MEP Program Manager*

projects since 2009, including registration, Settlements and the new Balancing Market as part of the MEP project.

The IMO wishes Matt well and looks forward to a continuing relationship with him through Igniter.

2012 Statement of Opportunities (SOO) and Pre-Launch Briefing

The IMO's Statement of Opportunities (SOO) provides information regarding forecasts of maximum peak demand and energy usage for the SWIS for the following ten years. The 2012 SOO was released on Monday 18 June 2012 and included the Reserve Capacity Requirement for the 2014/2015 Capacity Year.

This year, a pre-launch briefing was held at the Perth Convention and Exhibition Centre on Monday 18 June 2012, to give



current and prospective Participants an understanding of the key drivers behind the forecasts, together with a summary of changes that have occurred since previous forecasts.



Graeme Alford, Landfill Gas and Power Pty Ltd and Geoff Gaston, Perth Energy Pty Ltd at the SOO Pre-Launch Briefing

We were pleased to have Tony O'Dwyer from NIEIR (National Institute of Economic and Industry Research) in Melbourne in attendance. NIEIR prepares the demand forecasts for the SOO each year.

The SOO is available on the IMO website at www.imowa.com.au/soo.

Investor Information Sessions postponed to 2013

In July, the IMO's annual Investor Information Sessions were scheduled to take place in Sydney and Melbourne, as has been the case over the past two years.

This year however, given the current oversupply of capacity in the WEM and the review of the Reserve Capacity Mechanism, we are deferring the sessions until 2013.

The IMO remains committed to encouraging future capacity investment in WA and we look forward to resuming the sessions next year by which time the changes brought about by the MEP will be fully implemented and established.

The Investor Information Sessions are designed to provide investors and financiers with information on the WA Market so they are better equipped and more likely to assist Market Participants (both existing and prospective) to secure funding. Market Participants located on the east coast are also invited to attend, giving them the opportunity to hear an update on the WA WEM.

Emissions Intensity Index for the WEM

As reported in the April 2012 issue of **watt's on**, the IMO was tasked with creating an Emissions Intensity Index (EII) for the WEM to assist Participants with emissions reporting and contracting once the Federal Government's Carbon Price Mechanism comes into effect on 1 July 2012.

The IMO sought feedback as to whether or not Participants supported the concept of an index. Submissions were received from five Participants which have been published on the IMO website at www.imowa.com.au/_emissions_intensity_index

Thanks to those Participants who provided submissions. Respondents noted a preference for the IMO developing market rules and a procedure to formalise the provision of data and production of the index sooner rather than later.

The next step is to obtain base emission factor data from Participants so the proposed index can be calculated, and a request for that data is now out with Participants.

We will provide more information on this initiative in due course however we hope to be able to be in a position to publish an EII by the end of July 2012.

IMO Chairman's renewal

The IMO is pleased to announce that John Kelly has been re-appointed as Chairman of the IMO for a further three year term.

The IMO is fortunate to have John as our Chairman due to his extensive knowledge and his contribution to the establishment of the WEM.

John's fellow Directors, Shaun Dennison and David Huggins, will also continue on for a further three years, as of December 2011.

Continuity of the existing Board, in place since 2006, provides the IMO with stability and ongoing, experienced



John Kelly, Chairman

stewardship and strategic direction.

For profiles of the Board, please visit www.imowa.com.au/org_chart

As a result of the IMO's appointment to operate a Gas Information Services Project for WA, we are currently seeking a fourth board member with gas market expertise.