

WATT'S ON

IMO UPDATE ///

Welcome to our new look newsletter

We are excited to bring you this edition of **watt's on** featuring our revised corporate branding.



As many stakeholders are now aware, in September the IMO relocated to the 17th floor of Governor Stirling Tower. The change of address provided us with an opportunity to refresh our corporate brand as our stationery suite required reprinting. New buildings and growth in Perth over the past five years have also resulted in the skyline graphic in our previous logo no longer being relevant.

The design brief was to retain key elements of our former logo but to simplify, modernise and energise the look and feel.

We are confident the new brand will take the IMO through the next phase of business as we embark on projects such as the Gas Information Services Project (GISP).

The website has also been refreshed – please visit us at www.imowa.com.au

We look forward to welcoming you to our new offices soon.



STAKEHOLDER EVENT ///

Large User Forum Wrap

The inaugural IMO Large Users Forum, held on Thursday 30 August 2012 at the Perth Convention and Exhibition Centre, attracted an unexpectedly large audience of approximately 150 people.

This forum was held in response to feedback from some of our Market Participants who had suggested their customers (large users of electricity in WA), would appreciate the opportunity to learn more about the workings of the wholesale electricity industry.

Topics discussed included an overview of WA's Wholesale Electricity Market (WEM), the IMO's role, the Reserve Capacity Mechanism and its current review, the new Balancing and Load Following Ancillary Services (LFAS) Markets, the GISP and the



Craig Gellately, Michelle Devenny, Drew Godfrey and David Latham, Western Power

Emissions Intensity Index (EII) that the IMO is currently working on.

The forum was well received and we thank those attendees who took the time to respond to our request for feedback. We will use these comments to improve the event next year.

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



David Lyne, Powranna Consulting and Greg Sheppard, Alacer Gold Corp

IMO's Reserve Capacity team increases public consultation

The IMO's Reserve Capacity team has recently held public workshops for the reviews of the Planning Criterion and the SWIS demand forecasting processes. The Market Rules require the IMO to undertake these reviews at least once every five years. While public consultation is also a Market Rules obligation, the IMO has taken the initiative of holding workshops this year to enable stakeholders to become more engaged in the review processes.

The Planning Criterion workshop was held on Friday 31 August and the forecasting processes workshop on Wednesday 26 September 2012.

Attendees welcomed the opportunity to be part of face-to-face discussions with the consultants that have assisted the IMO with the reviews.

Holding public workshops such as these underpins the IMO's philosophy of achieving better outcomes through greater stakeholder collaboration and consultation. The IMO is continuing to increase its engagement with stakeholders in the demand

forecasting process, with a planned workshop on forecasting assumptions scheduled to be held in early 2013.

Also this year for the first time, the Reserve Capacity team held a pre-launch briefing in June prior to the launch of the 2012 Statement of Opportunities (SOO). This briefing was designed to give stakeholders an understanding of the key drivers behind the SOO forecasts together with a summary of changes that have occurred since previous forecasts. Stakeholders appreciated the chance to gain an insight into the SOO before it was formally published and to pose questions to Tony O'Dwyer, the consultant from NIEIR (National Institute of Economic and Industry Research) who assisted the IMO in the preparation of the forecasts.



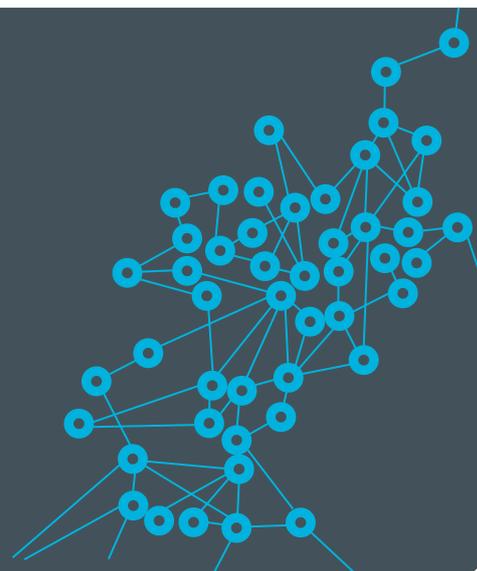
IMO INDUSTRY TRAINING

The IMO runs regular training courses throughout the year. To view the schedule, please visit www.imowa.com.au/training.

Courses are free for Market Participants and \$165 for non-Market Participants.

The Market Overview course was recently updated to incorporate the new Balancing arrangements resulting from the Market Evolution Project (MEP). Information on Balancing Requirements, Participant Submissions, the Balancing Merit Order (the BMO), Market Forecasts, Load Following Ancillary Services (LFAS) Merit Order and Pricing are now included.

For more information on training, please contact Will Street, Team Leader Operations and Improvements on (08) 9254 4315 or william.street@imowa.com.au



Spotlight

New Compliance team

The introduction of the Balancing and LFAS Markets has been accompanied by an increased requirement for enhanced monitoring and enforcement of Participants' obligations in the Wholesale Electricity Market. This new, and more mature, approach to market compliance replaces the automatic penalties that previously applied to non-compliance such as UDAP and DDAP, which the market wished to remove.

As part of implementing this new compliance regime, the IMO has expanded its Compliance Team to three full time staff. Led by Group Manager, Kylie O'Keeffe, the Compliance Team includes Team Leader, Ben Williams and Data Analyst, Jake Flynn.

While the Compliance Team is responsible for the IMO's compliance functions, and for monitoring and reviewing Participant behaviour, the team is also committed to a "coach over cop" approach to compliance. This approach includes assisting Participants to better understand their obligations and responsibilities under the Market Rules to reduce the risk of non-compliance and, over time, providing Participants with information and tools to help them to self-monitor and improve their own compliance.

A new email address has been created to provide a central point of contact within the team. Please direct any emails to IMO.Compliance@imowa.com.au

Kylie, who joined the IMO in July this year, is also responsible for the IMO's legal and risk management functions.



Kylie O'Keeffe
Group Manager,
Legal & Compliance



Ben Williams
Team Leader, Compliance



Jake Flynn
Data Analyst, Compliance



Since the 1 July go-live date of the new Balancing and LFAS Markets, a Transitional Operational Arrangement has been in place with System Management to relax the demands of the new market. The arrangement will come to an end on 5 December 2012.

The MEP team, which has recently been scaled down to a core technical team, has been focussing on implementing system changes required for 5 December. Two key changes are:

- transition from 6 hour to 2 hour Balancing gate closures, and
- increased tranches for IIPs and VSAF.

These system changes will be enabled in the Market Trial environment in early November 2012 as part of parallel operations to give Market Participants an opportunity to test their own scenarios.

The MEP team has also been working closely with the IMO's IT Project Team to deliver requested changes to the interface between the IMO and System Management, together with other system components such as Demand Side Program (DSP), Balancing Application Monitoring and Alerting, and Compliance Gate Closure Reports.

Further details on the changes for 5 December 2012 can be found at www.imowa.com.au/mep-overview

The IMO will continue to provide updates on the MEP project until December when the project will be integrated fully into normal IMO operations.

Gas Information Services Project

Work on the GISP is now well underway and on schedule to implement a new Gas Bulletin Board (GGB) and Gas Statement of Opportunities (GSOO) by 1 July 2013.

Consultation on the first draft of the detailed design of the GGB and GSOO concluded in September, with two further rounds of consultation on the design and draft Rules scheduled to take place before the end of 2012. Each round of consultation will include an opportunity for stakeholders to attend a public workshop and make written submissions to the IMO. Workshop dates will be advised closer to the time.

The IMO has also commissioned an evaluation of the costs and benefits of the proposed design of the Gas Information Services. This cost-benefit analysis will be undertaken in parallel with the next round of consultation on the draft design, scheduled to commence on 22 October 2012.

If you have not already registered for updates on the IMO's GISP and would like to be included on our distribution list, please contact us at imo@imowa.com.au.

Gas Advisory Board Vacancy

Due to the recent resignation of a member of the IMO's Gas Advisory Board (GAB), the IMO is now seeking nominations for a new member representing the interest of pipeline operators and owners. Nominations close on 31 October 2012, to enable a new member to be appointed by the 8 November GAB meeting.

For more information about this appointment process, or to access the nomination form, please visit www.imowa.com.au/gsiip-gab.



IMO encouraging work life balance

Recently teams from the IMO have taken part in local sporting events. As a workplace, we are strong advocates of work life balance and encourage staff to get together and participate in community events when and where possible...

Soccer

As part of the BOQ Corporate Challenge lunch time games in the city, a six week soccer competition commenced at the end of September at Langley Park. The IMO has entered two teams in the competition with a total of 20 staff participating.

This is a great way to get staff working and playing together. The competition is open to mixed, male and female teams.

We look forward to reporting results in the next issue of **watt's on**.

City to Surf

The annual City to Surf, held on Sunday 26 August, once again attracted a small contingent of IMO staff. Since 2009, IMO staff have participated as a team and individually in the various categories. This year, Martin Maticka and Kang Chew competed in the half marathon, Tom Montague, Will Street, Dimitra Botha and Johan van Niekerk competed in the 12km run and Jenny Laidlaw and Fiona Edmonds participated in the 12km walk.

Well done to all!

OIL & GAS INDUSTRY GOLF DAY

On 18 September 2012, the IMO participated in the Oil & Gas Industry Golf Day hosted by

Oakajee Port & Rail at Joondalup Resort.

The IMO team comprised Allan Dawson, CEO, Kate Ryan, GISP Project Director, Matt Pember, former IMO Manager and Gordon Rule, Gas Advisory Board member.



The team finished back in the field - never threatening the eventual winners ConocoPhillips - but clear of the dreaded last place!

Thanks go to Oakajee Port & Rail for hosting an enjoyable day which raised funds for the Royal Flying Doctor Service.

The IMO looks forward to participating in next year's event to be hosted by the 2012 winner ConocoPhillips.

*(photo left to right)
Allan Dawson, Kate Ryan, Matt Pember,
and Gordon Rule.*

INDUSTRY UPDATE ///

First utility-scale solar PV generator for Greenough River Solar Farm

The IMO congratulates Greenough River Solar Farm on the launch of the SWIS's first utility-scale solar PV generator which commenced operation in August this year.

The 10MW Greenough River Solar Farm, located south east of Geraldton, has been built by joint venture partners Verve Energy and GE Energy Financial Services.

The clean, affordable and sustainable energy generated by the solar farm will be purchased by the WA Water Corporation to help offset the energy requirements of the Southern Seawater Desalination Plant, near Binningup.

This is a major achievement for the Greenough River Solar Farm project and the IMO wishes them well in their venture.

For more information, visit www.greenoughsolarfarm.com.au

upcoming events

OCTOBER 2012

22 First round of consultation on the draft Gas Information Services Rules commences

24 **IMO Training**
Market Overview

BOOK NOW!

31 Due date for GAB nominations

NOVEMBER 2012

07 **IMO Training**
Non-STEM Settlements

BOOK NOW!

08 GAB Meeting

14 MAC Meeting

14 **IMO Training**
Market Operations, STEM and Balancing

BOOK NOW!

15 RCMWG Meeting

21 **IMO Training**
Market Overview

BOOK NOW!

28 **IMO Training**
Reserve Capacity Mechanism

BOOK NOW!

30 ERA Allowable Revenue Submission due

DECEMBER 2012

03 (TBC) Second round of consultation on the draft Gas Information Services Rules commences

05 MEP Transitional Operational Arrangement ends

11 GAB Meeting

12 MAC Meeting

12 **IMO Training**
Market Operations, STEM and Balancing

BOOK NOW!

JANUARY 2013

31 Request for Expressions of Interest published (which will include the final Maximum Reserve Capacity Price)

