
Wholesale Electricity Market Submission to Procedure Change Proposal

PC2013-4: Changes to Market Procedure for Prudential Requirements

Submitted by

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Submission

Clause 2.10.7 of the Wholesale Electricity Market Amending Rules provides that any person may make a submission for a Procedure Change Proposal by filling in this Procedure Change Submission form.

Submissions for Procedure Changes that relate to the Power System Operation Procedures and IMO Market Procedures should be submitted to:

Independent Market Operator

Attn: Group Manager, Market Development
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4399
Email: market.development@imowa.com.au

1. Please provide your views on the Procedure Change Proposal, including any objections or suggested revisions:

Community Electricity is a member of the IMO Procedure Change and Development Working Group.

Community generally supports the Procedure Change Proposal on the grounds that it clarifies and updates the procedures and thereby enhances the integrity of the WEM.

We especially support the provisions for prepayment as they greatly improve the liquidity and administration in respect of a Market Participant meeting its obligations. We suggest that prepayment should be added to clause 5.4.4 as a potential method of meeting a Margin Call. Given that lodgement of a Security Deposit requires at least 10 business days for administration, prepayment is the only practicable method of complying with the one Business Day deadline. On that basis, we perceive that clause 5.4.4 in its current form seeks to compel an impossibility, which leads to suspension of the market participant.

2. Please provide an assessment whether the Procedure Change Proposal is consistent with the Market Objectives and the Wholesale Electricity Market Amending Rules.

Community considers the proposal to be consistent with all the Market Objectives and the more so with our proposed change.

3. Please indicate if the Procedure Change Proposal will have any implications for your organisation (for example changes to your IT or business systems) and any costs involved in implementing these changes.

The prepayment provisions facilitate reduction of the substantial Austraclear costs (\$400 per month ++) that would otherwise apply.

4. Please indicate the time required for your organisation to implement the changes, should they be accepted as proposed.

Not Applicable