

ELECTRICITY INDUSTRY ACT 2004

ELECTRICITY INDUSTRY (WHOLESALE ELECTRICITY
MARKET) REGULATIONS 2004

WHOLESALE ELECTRICITY MARKET RULES

Market Procedure:
Monitoring Protocol

Version 2

Commencement: This Market Procedure is to have effect from 8:00am
(WST) on .__/_/2008

Version history

12 September 2006	Market Procedure for Prudential Requirements as at Market Start
1 August 2008	IMO proposed amended changes to the procedure

1. Monitoring Protocol **1**

1. Monitoring Protocol

The Monitoring Protocol covers the processes by which the IMO will monitor Rule Participants' compliance with the Market Rules and Market Procedures. The Monitoring Protocol is a Market Procedure pursuant to Market Rule 2.15.7.

This Monitoring Protocol is made in accordance with Market Rule 2.15.1.

1.1 Interpretation

In this procedure, unless the contrary intention is expressed:

- (a) terms used in this procedure have the same meaning as those given in the Wholesale Electricity Market Rules (made pursuant to the Electricity Industry (Wholesale Electricity Market) Regulations 2004);
- (b) to the extent that this procedure is contrary or inconsistent with the Market Rules, the Market Rules shall prevail to the extent of the inconsistency;
- (c) a reference to the Market Rules or Market Procedures includes any associated forms required or contemplated by the Market Rules or Market Procedures;
- (d) words expressed in the singular include the plural or vice versa; and
- (e) the following terms have the following meanings:

"Market Regulations" means the Electricity Industry (Wholesale Electricity Market) Regulations 2004;

"Regulation" means a regulation in the Market Regulations.

1.2 Purpose

The purpose of the Monitoring Protocol is to:

- Outline the IMO's processes for assessing compliance by Rule Participants with the Market Rules and Market Procedures;

- Outline a process for System Management to demonstrate compliance with the Market Rules, Market Procedures and audit processes where the IMO requires such demonstration or an audit;
- Outline a process for Rule Participants to report alleged breaches of the Market Rules and Market Procedures;
- Outline processes for investigating alleged breaches;
- Specify guidelines for the IMO when issuing warnings about alleged breaches;
- Specify the procedure for bringing proceedings in respect of specified Market Rule breaches before the Energy Review Board.

1.3 Overview of the Monitoring Protocol

Pursuant to the Market Rules, the IMO monitors the behaviour of Rule Participants for compliance with the Market Rules and Market Procedures. The IMO is required to develop a monitoring protocol to outline how it implements this obligation.

In addition, the Market Rules require:

- System Management to develop and implement a Monitoring and Reporting Protocol (Market Rule 2.15.4);
- the IMO and the Economic Regulation Authority to agree to a reporting protocol (Market Rule 2.15.8).

These additional protocols are outside the scope of this procedure. This procedure does not include any protocols for the IMO monitoring the effectiveness of the Market.

1.4 Monitoring compliance by Rule Participants

- 1 The IMO is required to monitor Rule Participants' compliance with the Market Rules and Market Procedures. (Market Rule 2.13.2) The IMO is required to have processes and systems in place to enable it to monitor Rule Participants' behaviour. (Market Rule 2.13.3)

- 2 In addition to its own monitoring activities, the IMO has a reporting relationship with System Management in respect to monitoring Rule Participant compliance. (Market Rule 2.13.8) This reporting relationship is outlined in the separate Power System Operation Procedure, Monitoring and Reporting Protocol.

1.5 Monitoring Compliance by System Management

- 1 In addition to the IMO's general monitoring obligations in relation to System Management as a Rule Participant, the Market Rules provide for further processes to monitor compliance by System Management.
- 2 In order to establish compliance by System Management with the Market Rules and Market Procedures, annually the IMO must:
 - (a) require System Management to provide to the IMO all records required to be kept by System Management under the Market Rules and Market Procedures; or
 - (b) subject System Management to an audit by a Market Auditor appointed by the IMO. (Market Rule 2.14.6)
- 3 The process set out in Step 2 must be done at least annually. However, if the IMO reasonably considers that System Management may not be in compliance with the Market Rules and Market Procedures, it may require this step to be performed more frequently.
- 4 The IMO may also receive notifications of potential non-compliant behaviour of System Management from other Rule Participants.
- 5 When monitoring System Management for potential breaches of the Market Rules and Market Procedures, the IMO will have regard for clauses 2.12.3 and 2.12.4 of the Market Rules.
- 6 Where the IMO thinks System Management may have breached the Market Rules or Market Procedures, the investigation and other processes set out in this procedure apply
- 7 The IMO must provide to the Minister a report on System Management's compliance with the Market Rules and Market Procedures annually. (Market Rule 2.14.7) The report will contain:

- the results of any audits performed;
 - the results of any investigations undertaken;
 - details of any relevant information required to be provided by System Management.
- 8 The IMO has the discretion to determine if the report outlined in Step 7 should be deemed a Public Report for the purpose of its confidentiality status. In determining the publication status of the report, the IMO will consider the Wholesale Market Objectives outlined in Market Rule 1.2.1.

1.6 Non-compliance Reporting by Rule Participants

- 1 In addition to its own monitoring, the IMO may also be notified of compliance issues by:
 - (a) a Rule Participant discovering its own non-compliant behaviour. The non-compliant Rule Participant may:
 - voluntarily report themselves to the IMO.
 - be required to provide information to the IMO, under the Market Rules or Market Procedures, that reports or evidences the non-compliant behaviour;
 - (b) a Rule Participant discovering non-compliant behaviour by another Rule Participant. A Rule Participant may inform the IMO, in writing, if it considers that another Rule Participant is in breach of the Market Rules or Market Procedures and may also provide evidence of the breach. (Market Rule 2.13.4)
- 2 Where System Management considers that another Rule Participant has breached the Market Rules or Market Procedures, it must notify the IMO of the alleged breach, in writing, on discovery of the non-compliant behaviour.
- 3 The notification should contain:
 - the name of the Rule Participant and contact details for the person responsible for the notification;

- the name of the Rule Participant who is alleged to have breached the Market Rules or Market Procedures;
 - the specific clauses in the Market Rules or Market Procedures alleged to have been breached;
 - the dates and times on which the alleged breach occurred;
 - a description of the reasons that the notifying Rule Participant has for considering a breach may have taken place, including any evidence of the potential breach;
 - if the breach is by the notifying Rule Participant, a description of the reasons for the breach, including any mitigating circumstances and any proposed remedies.
- 4 The contact details for the IMO are as outlined in the separate Notices and Communications Procedure.
 - 5 The IMO will record the alleged breach of the Market Rules or Market Procedures in its Compliance Monitoring Register.
 - 6 The IMO will provide a letter of acknowledgement to the notifying Rule Participant within three business days of receipt of any written notification of non-compliant behaviour.
 - 7 Under most circumstances the IMO will notify the Rule Participant alleged to be non-compliant. The notification will set out:
 - that the Rule Participant is alleged to have committed a breach;
 - a summary of the alleged non-compliant behaviour;
 - a contact person at the IMO to discuss the matter and processes.However, the IMO has the discretion not to provide such notification if the IMO reasonably believes that doing so would prejudice an investigation.
 - 8 The IMO will not disclose to the Rule Participant alleged to have committed the breach the identity of the Rule Participant notifying the non-compliant behaviour.
 - 9 Where the notification by a Rule Participant results in an IMO decision regarding the potential rule breach, including bringing proceedings before the Energy Review Board,

the IMO will inform the Rule Participant of the decision in accordance with Section 1.10 of this protocol.

1.7 Compliance Monitoring Register

- 1 The IMO will maintain a Compliance Monitoring Register. (Market Rule 2.13.10)
- 2 The IMO must record in the Compliance Monitoring Register:
 - any potential breaches of the Market Rules and Market Procedures that it identifies through its own monitoring activities;
 - any potential breaches of the Market Rules and Market Procedures that System Management identifies through its monitoring activities;
 - any potential breaches of the Market Rules and Market Procedures notified by any other Rule Participant in accordance with section 1.5 of this protocol.
- 3 The Compliance Monitoring Register will contain:
 - a unique identifier for each potential breach of the Market Rules or Market Procedures;
 - the status of the potential breach of the Market Rules or Market Procedures – whether it is still under investigation, whether the IMO or the Energy Review Board has come to any decisions;
 - the Rule Participant potentially in breach of the Market Rules or Market Procedures;
 - the date when the potential breach was notified;
 - the Rule Participant who identified the potential breach, including contact details;
 - the specific clauses in the Market Rules or Market Procedures alleged to have been breached;
 - the dates and times on which the alleged breach occurred;

- records of any investigation activities carried out concerning the potential breach, including meetings with the Rule Participant or other parties, information collected and equipment inspected;
- a catalogue of information collected about the potential breach, including the circumstances surrounding the potential breach and evidence confirming or refuting the potential breach;
- records of any findings the IMO may have as to whether it is reasonable to believe non-compliant behaviour took place;
- records of any warnings issued by the IMO to the Rule Participant, including any Rule Participant response;
- records of IMO decisions concerning Category A decisions, including penalties and orders given;
- records of IMO decisions to take Category B or C breaches to the Energy Review Board and the decision of the Energy Review Board, including penalties and orders given;
- records of Rule Participant compliance with any decisions of the IMO or the Energy Review Board concerning a breach of the Market Rules or Market Procedures.

1.8 Investigating Alleged Breaches

- 1 On becoming aware of an alleged breach of the Market Rules or Market Procedures, the IMO is required to investigate the behaviour at issue. (Market Rule 2.13.10)
- 2 Where the IMO considers that an alleged breach notified by a Rule Participant relates to a matter already under investigation, the IMO may join the two investigations.
- 3 Where the IMO considers that an alleged breach notified by a Rule Participant has already been investigated, and the notification does not give rise to any new information or factors to justify further investigating the matter, the IMO may have regard to the previous investigation and not investigate the matter further.

- 4 Where an alleged breach notified by a Rule Participant relates to a matter in which the IMO has already concluded that no breach occurred, the IMO may have regard to its previous decision, and the factors giving rise to it, and not reopen the matter.
- 5 The purpose of Steps 4 and 5 is to prevent the IMO having to reinvestigate previously settled matters.
- 6 In conducting investigations, the IMO has the power to:
 - require information and records from Rule Participants, including searching premises;
 - inspect Rule Participants' equipment. (Regulations Part 5, Division 2; Market Rule 2.13.12).
- 7 Where the IMO requires information, it may make a request by email, facsimile or post to the person nominated as the contact for the Rule Participant. The IMO will indicate a reasonable timeframe in which it considers any required information and records should be provided.
- 8 Where the IMO decides that, in the course of its investigation, it needs to search the Rule Participant's premises for documents or records or to inspect the Rule Participants' equipment, it must follow the requirements set out Part 5, Division 2 of the Market Regulations. These relate to:
 - an officer or employee of the IMO as authorised persons, in accordance with Regulation 23;
 - application for search warrants, in accordance with Regulation 24;
 - announcements before entry, in accordance with Regulation 25;
 - giving details of the warrant to the occupier, in accordance with Regulation 26;
 - provision of copies of seized documents, in accordance with Regulation 27; and
 - retention and return of seized documents, in accordance with Regulation 28.

- 9 Rule Participants must cooperate with IMO investigations, including providing information and records in a timely manner and allowing reasonable access to equipment as requested. (Market Rule 2.13.13)
- 10 In the event that a Rule Participant does not cooperate with an IMO investigation, the IMO may appoint an independent person to investigate the matter and to provide a report or other documentation as required. The Rule Participant under investigation is liable for the costs, unless the IMO otherwise determines, and must assist the person undertaking the investigation. (Market Rule 2.13.14)
- 11 The IMO may meet with the Rule Participant on one or more occasions to discuss the alleged breach and avenues for rectifying it. (Market Rule 2.13.11) Where the IMO is of the view that the potential breach of the Market Rules or Market Procedures is ongoing and serious, it will urgently seek such a meeting.
- 12 At the conclusion of its investigation, the IMO will record in its Compliance Monitoring Register whether it considers, given the evidence available, a breach of the Market Rules or Market Procedures has taken place.

1.9 Warnings

- 1 Where the IMO reasonably believes that non-compliant behaviour has taken place, it may issue a warning to the Rule Participant.
- 2 The warning will be issued within two Business Days of the completion of the investigation.
- 3 The warning will be in writing and set out:
 - the specific clause or clauses of the Market Rules or Market Procedures that are believed to have been breached;
 - a full description of the behaviour considered to be non-compliant;
 - a request for an explanation;
 - a request to rectify the behaviour at issue, including a timeframe that the IMO considers to be reasonable to accomplish the request.

- 4 The IMO may provide the warning by e-mail, facsimile or post to the person nominated as the contact for the Rule Participant.
- 5 The Rule Participant may request a meeting with the IMO to discuss the alleged breach and proposed resolutions. The IMO will not unreasonably refuse such a meeting.
- 6 The Rule Participant is required to provide the explanation requested in the warning within five Business Days of receipt of the warning. The explanation is required to be in writing and may be provided to the IMO by e-mail, facsimile or post. The IMO may extend this timeframe, at the request of the Rule Participant, by providing confirmation in writing.
- 7 On receipt of a response by the Rule Participant to the IMO warning, the IMO will record this in the Compliance Monitoring Register. (Market Rule 2.13.10)

1.10 IMO Decisions

- 1 Pursuant to the Regulation 30 of the Market Regulations, certain Market Rules have been deemed “civil penalty provisions.” In Schedule 1 to the Market Regulations, these provisions have been allocated a category (A, B or C) and maximum penalty amounts payable for breach. The table at Appendix A provides the category allocated to the respective Market Rules provisions.

Category A Provisions

- 2 The IMO decides if a breach of a Category A provision has occurred. (Market Rule 2.13.15) In making its decision, the IMO will take into account:
 - The results of its investigation as outlined in Section 1.8 above;
 - The Rule Participant’s response to an IMO warning, if any, as outlined in Section 1.9 above.
- 3 If the IMO decides that a breach has not occurred, the IMO will notify the Rule Participant and the complainant, if any, of its decision. (Market Rule 2.13.16)
- 4 If the IMO decides that a breach has occurred, the IMO may, but is not required to, issue a penalty notice in accordance with the Market Regulations. (Market Rule 2.13.16)

- 5 Instances where the IMO may decide not to issue a penalty notice include isolated instances or accidental breaches, especially where action has been taken to rectify the breach and prevent a reoccurrence.
- 6 A Rule Participant issued with a penalty notice may seek review by the Energy Review Board, in accordance with the Market Regulations, of the IMO's decision. (Market Rule 2.13.17)
- 7 In accordance with Regulation 31, within 28 days of receiving a penalty notice a Rule Participant must:
 - (a) pay the penalty to the IMO; or
 - (b) apply to the Energy Review Board for review.
- 8 In accordance with Regulation 37, any penalty payments received by the IMO must be distributed in accordance with the Market Rules. If the Market Rules do not provide for distribution of civil penalty amounts, the penalty payments will be credited to the Consolidated Fund.

Category B and C Provisions

- 9 The IMO may decide that a breach of a Category B or Category C provision has not occurred. In making its decision, the IMO will take into account:
 - The results of its investigation as outlined in Section 1.8 above;
 - The Rule Participant's response to an IMO warning, if any, as outlined in Section 1.9 above
- 10 If the IMO decides that a breach has not occurred, the IMO will notify the Rule Participant and the complainant, if any, of its decision.
- 11 If the IMO, after conducting an investigation, reasonably believes that a breach of the Market Rules has occurred, the IMO may, but is not required to, bring proceedings before the Energy Review Board. (Market Rule 2.13.18)
- 12 The Energy Review Board is able to order civil penalties for contravention of the Market Rules, pursuant to Regulation 33.

1.11 IMO Reports of Monitoring Activities

- 1 The IMO is required to release a report at least every six months which provides a summary of:
 - (a) proceedings brought before the Energy Review Board, including any findings and orders by the Board;
 - (b) Penalty Notices issued by the IMO for Category A breaches unless the IMO's decision has been set aside by the Energy Review Board. (Market Rule 2.13.26)
- 2 The IMO may, but is not required to, release a report on:
 - (a) any one or more matters concerning Category A provisions for which the IMO issued a penalty notice; or
 - (b) any one or more matters that have been referred to the Energy Review Board,including the findings of the IMO and/or the Energy Review Board, as applicable, and any sanctions imposed by the IMO or the Energy Review Board.
- 3 Where any significant incidents arise the IMO has the discretion to:
 - (a) publish a report set out in Step 1 in less than six months following its previous report;
 - (b) publish a report set out in Step 2,
- 4 Publication and circulation of the reports outlined in Steps 1 and 2 will be in accordance with clauses 2.13.27 and 2.13.31 of the Market Rules
- 5 Claims of confidentiality of information, in relation to information that may be published in the reports set out in Steps 1 and 2, are to be considered by the IMO in accordance with Market Rule 10.2 which sets out information confidentiality status and its classes. (Market Rule 2.13.30)

Appendix A - Categories of Rule Breaches and the Primary Mechanisms to Identify the Breaches

To the extent that this Appendix A and the Market Regulations are inconsistent, the Market Regulations prevail.

Clause	Penalty class	Description	Proposed monitoring
2.13.13	B	Participant must cooperate with an investigation including providing information and allowing access.	IMO will monitor whether participant cooperates
2.13.14(a)	B	Participant must cooperate with investigation by person appointed by the IMO with regard to possible rule breach	The person investigating will report to the IMO
2.13.25	B	Participant must comply with IMO direction giving effect to ERB decision	IMO will follow up to confirm directions are complied with
2.16.6(b)	B	Participants must provide information to ERA	The ERA can notify the IMO where it does not receive requested information
2.27.1	A	Networks provide loss factors to IMO	The IMO will check on 1 June if it has received the loss factors
2.29.6	C	Participant must ensure that scheduled generator is able to respond to System Management output directions	System Management can notify the IMO where it considers that the equipment is not compliant
2.29.7	C	Participant must ensure that non-schedule generator is able to decrease output on System Management instruction	System Management can notify the IMO where it considers that the equipment is not compliant
2.29.8	B	Participant must ensure that dispatchable load is able to respond to System Management output directions	System Management can notify the IMO where it considers that the equipment is not compliant
2.30C.4	B	Participant must provide additional standing data if requested by the IMO	IMO will record if requests are not complied with
2.31.9	B	Networks must cooperate with registration tests for a facility	The IMO can record as it carries out registration process for facilities
2.32.4(a)	C	Participant must comply with suspension notice	The IMO will monitor that the participant does not make submissions but is still meeting Reserve Capacity requirements

Deleted: , and pay costs of investigation

Clause	Penalty class	Description	Proposed monitoring
2.34.2	B	Participant must ensure standing data kept accurate	Monitored by System Management
2.34.3	B	Participant must ensure standing data kept accurate	Monitored by System Management
2.34.6	B	Participant must provide additional data to support standing data change if requested	The IMO will record if a participant does not respond to the request
2.35.1	A	Participants must maintain communication equipment with facilities	System Management can notify the IMO where it considers that the equipment is not compliant
2.35.2	A	Participants must maintain communication equipment with facilities	System Management can notify the IMO where it considers that the equipment is not compliant
2.35.3	A	Participants must maintain communication equipment with facilities	System Management can notify the IMO where it considers that the equipment is not compliant
2.36.3	A	Participants must meet IMO's IT security standards	The IMO's IT staff will investigate any problems caused on the WEMS systems
2.36.4	C	Participant may not operate IT system to deliberately undermine market systems	The IMO's IT staff will investigate any problems caused on the WEMS systems
2.37.5	B	Participant must tell IMO if electricity purchased through market is expected to be higher than in last calculation of the credit limit	The IMO will track this through its prudential monitoring, and may retrospectively investigate where the amount has increased in the past month whether the participant could have reasonably known
2.38.1	B	Participant must provide credit support	The IMO will track this through its prudential monitoring
2.38.2	B	Participant must provide credit support	The IMO will track this through its prudential monitoring
2.38.3	B	Participant must provide credit support	The IMO will track this through its prudential monitoring
2.41.2	B	Participant must not make submission which could result in exceeding its trading margins	The IMO will track this through its prudential monitoring, and may retrospectively investigate where the amount has increased in past months whether the participant could have reasonably known
2.42.4	C	Participant must respond to margin call	The IMO will track this through its prudential monitoring

Clause	Penalty class	Description	Proposed monitoring
2.44.4	C	Participants must comply with IMO directions during market suspension	The IMO will record any non-compliance at the time, and will also assess non-compliance after the fact as part of its investigation into the market suspension
3.4.6	C	Participants must comply with System Management directions and endeavour to assist System Management during high risk operating state	Monitored by System Management
3.4.8	C	Participant must immediately inform System Management if cannot comply with direction	Monitored by System Management
3.5.8	C	Participants must comply with System Management directions and endeavour to assist System Management during emergency operating state	Monitored by System Management
3.5.10	C	Participant must immediately inform System Management if cannot comply with direction	Monitored by System Management
3.6.5	C	Networks must implement load shedding plans	Monitored by System Management
3.6.6B	C	Networks must comply with manual disconnection instructions from System Management	Monitored by System Management
3.8.2(c)	B	System Management and participants must supply reports on system incidents to the IMO	The IMO will record if no report was provided
3.11.7A	C	<u>EGC must make capacity available to System Management to provide ancillary services</u>	<u>Monitored by System Management</u>
3.16.4	B	Participants must provide MT-PASA information	Monitored by System Management
3.16.7	B	Participants must provide MT-PASA information	Monitored by System Management
3.16.8A	B	Participants must provide additional MT-PASA information requested by System Management <u>within the specified timeframes</u>	Monitored by System Management
3.17.5	C	Participants must provide ST-PASA information	Monitored by System Management
3.17.6	C	Participants must update ST-PASA information if it changes	Monitored by System Management

Clause	Penalty class	Description	Proposed monitoring
3.18.7	C	Outage plans submitted by participants must represent good faith expectations	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.18.8	C	Participant must revise outage plan if it no longer plans to take equipment out of service	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.18.9	C	Participant must revise outage plan if time changes	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.18.13(d) (i)	C	Participants and networks resubmit outage plans after negotiation in case of schedule clash	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.19.1	C	Participant and networks must request approval for outage two days in advance	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.19.8	C	Participant and networks must comply with System Management rejection of outage	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.20.2	C	Participant and networks must comply with System Management recall from outage	System Management can notify the IMO where it considers that the outage planning provisions have been breached
3.21.4	C	Participant and networks must inform System Management of forced outage	System Management can notify the IMO where it considers that the outage planning provisions have been breached
<u>3.21A.2</u>	C	<u>Participant seeking to conduct a commissioning test must request permission from System Management</u>	<u>Monitored by System Management</u>
<u>3.21A.6</u>	C	<u>Participant that no longer plans to conduct commissioning test must inform System Management</u>	<u>Monitored by System Management</u>
<u>3.21A.12</u>	C	<u>Participant must conform to the approved commissioning test plan</u>	<u>Monitored by System Management</u>

Clause	Penalty class	Description	Proposed monitoring
3.21A.13	C	<u>Participant that cannot conform to the approved commissioning test plan must inform System Management</u>	<u>Monitored by System Management</u>
3.21B.1	C	<u>Participant must seek permission from System Management before decommissioning a scheduled generator holding capacity credits</u>	<u>Monitored by System Management</u>
3.21B.2	C	<u>Permission under 3.21B.1 must be sought at least 2 hours in advance and specified information must be provided</u>	<u>Monitored by System Management</u>
4.5.4	C	Participants provide LT-PASA information to IMO	The IMO will record if data is not provided
4.10.2	C	Participant who claims alternative fuel must have on site fuel or uninterruptible fuel supply	Monitored by System Management
4.22.5(b)	B	Participant with long term SPA must annually reapply for certification	The IMO will record if reapplication does not occur
4.27.5	B	Participants must provide reports to IMO on expected planned outages where RC of market underperforming	The IMO will record if the report is not provided in response to the request
6.5.1A	B	Generator and Dispatchable Load Participants must make Resource Plan submission	The IMO will record where the submission is not received
6.6.3	C	<u>Generator must not offer prices that do not reflect its reasonable expectation of short run marginal cost</u>	<u>Monitored by the IMO</u>
6.7.3	C	<u>Generator must not specify quantities in a bilateral submission that exceed the quantity of energy it is contracted to supply</u>	<u>Monitored by the IMO??</u>
6.7.4	C	<u>Customer must not overstate consumption as indicated by its net contract position that cannot be explained by forecasting or los factors.</u>	<u>Monitored by the IMO??</u>

Deleted: 6.1.1
Deleted: A
Deleted: Deleted - References to these sections 6.1-6.8 in the Regulations need to be revised
Deleted: 6.4.4
Deleted: A
Deleted: Participant must confirm receipt of STEM results information to the IMO
Deleted: The IMO will record where the receipt is not received

Clause	Penalty class	Description	Proposed monitoring
			Deleted: 6.8.7
			Deleted: C
			Deleted: Deleted - References to these sections 6.1-6.8 in the Regulations need to be revised
			Deleted: 6.8.9
			Deleted: B
			Deleted: Deleted - References to these sections 6.1-6.8 in the Regulations need to be revised
6.19.9	B	Participants, networks and System Management must inform IMO of events that could result in Market Advisory	After the fact the IMO may assess whether any participant could have reasonably known about the circumstances and informed it
<u>7.5.5</u>	C	<u>Participant may only issue fuel change notification where it has lost or obtained non-liquid fuel supply</u>	<u>Monitored by System Management</u>
<u>7.6A.2(g)</u>	C	<u>EGC must notify System Management if it unable to comply with a dispatch plan.</u>	<u>Monitored by System Management</u>
<u>7.6A.3(c)</u>	C	<u>EGC must notify System Management if it unable to comply with a dispatch instruction</u>	<u>Monitored by System Management</u>
<u>7.6A.5(e)</u>	B	<u>EGC and System Management must make records available to the IMO on request</u>	<u>Monitored by the IMO</u>
<u>7.6A.6</u>	B	<u>EGC and System Management must keep all records created by rule 7.6A</u>	<u>Monitored by the IMO</u>
7.7.9(b)	C	System Management and participants must follow System Operation Procedure when issuing/receiving dispatch instructions	The IMO will receive notification from System Management or the participant that they believe the procedure has not been followed
7.9.1	C	Participant must confirm with System Management synchronisation of generating units in advance	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.9.3	C	Participant must coordinate with System Management synchronisation of generating units where requested	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached

Clause	Penalty class	Description	Proposed monitoring
7.9.5	C	Participant must confirm with System Management desynchronisation of generating units in advance	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.9.7	C	Participant must coordinate with System Management desynchronisation of generating units where requested	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.9.9	C	Participant must comply with System Management permissions on synchronisation	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.9.10	C	Participant must comply with System Management permissions on desynchronisation	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.9. 12 (a)	C	Participant must inform System Management where it cannot comply with System Management desynchronisation rejection	System Management can notify the IMO where it considers that the synchronisation and desynchronisation provisions have been breached
7.10.1	C	Participant must comply with resource plan, dispatch instructions or directions from System Management	Monitored by System Management
7.10.3	C	Participant must inform System Management where it cannot comply	Monitored by System Management
7.10.6	C	Participant must comply with System Management direction to follow resource plan etc, or inform System Management if it cannot	Monitored by System Management
7.10.6A	C	<u>Participant that cannot comply with a request to provide an explanation dispatch instruction must notify System Management</u>	<u>Monitored by System Management</u>
7.11.7	C	Participants and networks must comply with System Management directions in dispatch advisory	Monitored by System Management
7.11.9	C	Participants, networks and IMO must inform System Management of events that could result in Dispatch Advisory	After the fact System Management may assess whether any participant could have reasonably known about the circumstances and informed it

Deleted: 11

Clause	Penalty class	Description	Proposed monitoring
8.1.3	B	Metering Data Agent must operate to metering protocol	The IMO will record where its interactions with the Metering Data Agent lead it to believe the Metering Data Agent is not operating to the protocol (e.g. the process for missing data is not operating), and participants can also notify the IMO
8.3.1	B	Metering Data Agent must maintain meter registry	Participants can notify to the IMO where they do not consider that the Metering Data Agent is meeting the meter registry requirements
8.3.3	B	Metering Data Agent must respond to IMO information request related to facility registration	The IMO will record where the Metering Data Agent does not respond
8.3.5	B	Metering Data Agent must inform IMO of changes in participants at meters	Participants can notify to the IMO where they do not consider that the Metering Data Agent is meeting the protocol requirements
8.4.1	B	Metering Data Agent must provide meter information on schedule	The IMO will record where the Metering Data Agent does not provide information on schedule
8.5.2	B	Metering Data Agent must respond to IMO notification of metering dispute	The IMO will record where the Metering Data Agent does not respond
8.8	B	Metering Data Agent must provide meter data requested by IMO for purposes of rules	The IMO will record where the Metering Data Agent does not provide information requested
9.1.2(e)	B	Participants must assist IMO to produce necessary tax invoices etc	The IMO will record where participants do not respond to its requests
9.3.2	B	Metering Data Agent must provide settlement ready meter data to IMO	The IMO will record where the Metering Data Agent does not provide data on schedule
9.22.5	B	Participants must use EFT mechanism	The IMO will record where participants do not make payments on time using the EFT system
e	B	Participant must inform IMO if a suspension event happens to it (e.g. bankruptcy, losing its licence)	The IMO will monitor this through information generally available to the public and in the industry, through its communications with the ERA, and when any participant notifies it.

Clause	Penalty class	Description	Proposed monitoring
9.24.7	C	Participant must pay IMO settlement amount in full by due time	The IMO will record where participants do not make payments on time using the EFT system
10.1	B	Participants must retain information	This will primarily be detected as part of any other investigation under the rules, where it is revealed the participant's records are not adequate.
10.2.4	B	Participants cannot release confidential information	The affected participant can notify the IMO