

MARKET RULES DESIGN REVIEW

Notice of Public Workshop: Monday 10 May 2010, 9:00am – 2.00pm

The IMO's Market Rules Evolution Plan (MREP) and recommendations of the Verve Energy Review (Verve Review) identified the need for an evaluation of the Wholesale Electricity Market (WEM) Rules (Market Rules) for a number of aspects of the WEM design. As a consequence of these two pieces of work the Market Rules Design Team (Design Team) was established to undertake this evaluation. In particular, changes to the Market Rules relating to day ahead planning and real time dispatch reflected in the operation of the Short Term Energy Market (STEM), balancing market and ancillary services are being considered.

This Design Team is made up of representatives from:

- IMO;
- System Management; and
- Oakley Greenwood (for the Oates Review Committee).

For the purposes of discussion, the Design Team has identified four conceptual design options and a number of different pathways for linking them. These have been deliberately selected to cover a broad spectrum of possibilities.

Design principle	Option	Overview
Enhance the current day ahead design with Verve Energy as default/ primary physical balancer	A1: Enhanced hybrid	Opportunity for wider participation through balancing support contracts; supported by appropriate incentives (including pricing and cost allocation); realignment of electricity and gas nominations.
	A2: Enhanced hybrid + renominations	As above plus ability to re-declare contract position and adjust resource plan accordingly.
Open up physical balancing role to all participants. This would open the market up to on the day trading	B: Net dispatch	Net dispatch for IPPs and Verve Energy with both eligible to provide balancing support through increment/ decrement offers.
	C: Gross dispatch	IPPs and Verve Energy compete to provide balancing support (on same terms) through offers for gross dispatch.

These four options were presented to the Market Advisory Committee (MAC) at a special meeting in April. Given the complexity of issues presented and the strategic



nature of the options available the MAC requested a workshop to discuss the options and the development pathway in more detail.

The IMO wishes to inform all interested stakeholders of its intention to hold a workshop on **Monday 10 May 2010, 9:00am – 2.00pm**. The objectives of the workshop are to:

- Update all stakeholders on the market design process;
- Present each of the options under consideration;
- Provide an opportunity for stakeholders to frame key questions of interest via break out groups;
- Allow for members of the Design Team to answer the key questions; and
- Ensure that stakeholders can assess the implications and issues (including the different development pathways) for their own organisation from a position of understanding.

The IMO requests expressions of interest for workshop attendance given the high level of interest in this work. This is to allow an appropriate workshop venue to be identified.

If you would like to register for the workshop, please email your name and contact details to market.development@imowa.com.au by **12.00pm, Thursday 22 April 2010**.

Prior to the workshop stakeholders are urged to read the concept paper presented at the **April MAC** meeting. This is available [here](#). Additionally, the Design Team invites stakeholders to submit questions on the concept paper prior to the workshop by **12.00pm, Friday 30 April 2010**.

Additional details, including an agenda for the workshop and a list of questions and/or discussion points identified, will be circulated to all participants prior to the workshop. This, and all other related information associated with this work stream, will be available on the IMO website at: www.imowa.com.au/Design_Review