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## Wholesale Electricity Market Submission to Procedure Change Proposal

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### PC2013-7: Amendments to Market Procedure for Settlement

#### Submitted by

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<b>Date submitted:</b>	19 December 2013

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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](mailto:market.development@imowa.com.au)

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#### **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 request review of clause 8.1.1 which mandates that an outstanding invoice must be settled through Austraclear. To our knowledge, the head of power for this requirement does not feature in the Market Rules and we suggest that a Market Procedure is not the optimal instrument for placing such an onerous impost on Market Participants. In particular, Austraclear is relatively expensive and administratively burdensome for small participants – and especially so for participants that receive from the IMO net payments. We also note that RC 2012-23 (Prudential Requirements) has facilitated pre-payments, which we suggest is a suitable alternative.

We note that the second part of clause 8.1.1 provides for the IMO and Rule Participants to agree an alternative method of payment if Austraclear is temporarily unavailable. We suggest that clause 8.1.1 be modified to read instead;

The IMO and Rule Participants must settle any outstanding Invoice, in full, through Austraclear unless the IMO and a Rule Participant agree an alternative method of payment.

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**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.

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**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.**

Community, in common with all small Market Participants would benefit from removal of the compulsion to settle transactions through Austraclear.

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

Not Applicable