

WA Independent Market Operator

Compliance of the IMO's internal procedures and business processes with the Market Rules and the IMO's compliance with the Market Rules and Market Procedures

30 September 2010

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EXECUTIVE SUMMARY

This report sets out the results of the market audit by PA Consulting Group in carrying out its assessment of the compliance of the IMO's internal procedures and business processes with the Market Rules, and the IMO's compliance with the Market Rules and Market Procedures.

This market audit has been carried out under Market Rule 2.14.3 which is set out below:

- 2.14.3. The IMO must ensure that the Market Auditor carries out the audits of such matters as the IMO considers appropriate, which must include:*
- (a) the compliance of the IMO's internal procedures and business processes with the Market Rules;*
 - (b) the IMO's compliance with the Market Rules and Market Procedures;*
 - (c) the IMO's market software systems and processes for software management.*

This year's market audit has taken the form on an "incremental" audit. We have examined those aspects of the Market Rules and Market Procedures and IMO's Internal Procedures where:

- The clauses in the Market Rules are new or amended since last year's annual audit;
- Market Procedures or Internal Procedures are new or updated since last year's annual audit; and
- Market Procedure or Internal Procedures relate to areas of recorded breaches of the Market Rules by the IMO since last year's annual audit.

In essence, we have looked at areas that have changed since last year's annual audit.

During this most recent audit, PA has noted an increased emphasis by the IMO on the quality of its internal procedures and its monitoring and recording of possible compliance breaches. PA welcomes this emphasis as a means of bringing operational practice and the requirements of the Rules in line with one another – either by amending the Rules or fine-tuning operational practice, or both – thereby reinforcing the confidence in the operation of the market that market participants require.

As in previous years, PA has found that the IMO has generally complied with its obligations under the Market Rules. However, in line with its increased emphasis on compliance and its recent endeavours to bring operational practice and the Rules in line with one another, this year's audit has recorded a noticeable increase in incidences of non-compliance over previous years. In all, a total of 45 non-compliances were recorded, all of which were deemed to be non-material. We are also conscious that a number of the Market Procedures and Internal Procedures are still in the midst of being refined or updated.

In our view the increased number of non-compliances and the state of the market and internal procedures should not be construed as deterioration in performance of the IMO or a source of concern for the operation of the market generally. Rather, it should be seen as a manifestation of the on-going improvement in the integrity of the operation and development of the market, as the IMO strives for higher standards of performance.

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1. INTRODUCTION

The document sets out the results of the market audit by PA Consulting Group in carrying out its assessment of the compliance of the IMO's internal procedures and business processes with the Market Rules, and the IMO's compliance with the Market Rules and Market Procedures.

1.1 SCOPE OF THE MARKET AUDIT

This market audit has been carried out under Market Rule 2.14.3. which requires that:

- 2.14.3. The IMO must ensure that the Market Auditor carries out the audits of such matters as the IMO considers appropriate, which must include:*
- (a) the compliance of the IMO's internal procedures and business processes with the Market Rules;*
 - (b) the IMO's compliance with the Market Rules and Market Procedures;*
 - (c) the IMO's market software systems and processes for software management.*

1.2 MARKET AUDIT PROCESS

This year's market audit has taken the form on an "incremental" audit.

We have examined those aspects of the Market Rules and Market Procedures and IMO's Internal Procedures where:

- The clauses in the Market Rules are new or amended since last year's annual audit;
- Market Procedures or Internal Procedures are new or updated since last year's annual audit; and
- Market Procedure or Internal Procedures relate to areas of recorded breaches of the Market Rules by the IMO since last year's annual audit.

In essence, we have looked at areas that have changed since last year's annual audit. Areas where the Internal Procedures and Market Rules have not changed, and where last year the Internal Procedure was found to comply with the Market Rules, will still be in compliance and we have deemed it unnecessary to assess in detail or comment on those areas in this audit report.

In conducting the market audit on the compliance of the IMO with the Market Rules, PA has:

1. Ensured that it is up to date with its understanding of the West Australia Electricity Market Rules;

1. Introduction. . .

2. Identified new or amended obligations placed on the IMO by amendments to the Market Rules that have come into force since the previous market audit dated 1 September 2009;
3. Mapped those obligations identified in step 2 to the applicable Internal Procedures;
4. Identified IMO Internal Procedures that are new or have been updated since the previous market audit dated 1 September 2009;
5. Identified IMO Internal Procedures that relate to areas of non-compliance identified in the previous market audit dated 1 September 2009;
6. Reviewed the IMO procedures identified in steps 3, 4 and 5 for compliance with the Market Rules;
7. Sought evidence that the IMO is following those procedures so as to comply with the Market Rules;
8. Had discussions with IMO managers and staff to clarify issues identified; and then
9. Prepared a draft report setting out our findings followed by a final report.

As in previous years, we note that there are limitations to any external audit. Audits are not an absolute guarantee of the truth or reliability of agency information or the effectiveness of internal controls. They may not identify all matters of significance. This is because external audit techniques involve:

- Professional judgement as to “good industry and market operational practice”;
- The use of sample testing;
- An assessment of the effectiveness of internal control structures; and
- An assessment of risk.

A market audit does not guarantee every procedure and action carried out in the operation of the electricity market in the audit report, nor does it examine all evidence and every transaction. However, our audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the market audit report.

We also note that there is a high degree of compliance monitoring built into the market design. Should the IMO not carry out a requirement of the Market Rules, those cases that are material will have affected either System Management or market participants and are likely to have been raised.

Where non-compliant procedures or actions are identified, these are classified as being:

- *Material*, in that they may affect decisions made by market participants, affect the outcome of the market or otherwise affect the financial position of one or more rule participants; or
- *Non-material*, in that
 - they do not comply with the wording or the Market Rules but do comply with the intention of the Market Rules; or

1. Introduction. . .

- they do not comply with the Market Rules but they are not likely to affect decisions made by market participants or otherwise affect the outcome of the market.

1.3 STRUCTURE OF THIS REPORT

The report contains PA's analysis of the operation of the IMO on a Market Rules chapter-by-chapter basis. However, due to the large number of rule changes made which affect the obligations of the IMO with respect to the market rules, we shall first consider these rules changes.

1.4 ACKNOWLEDGEMENTS

PA would like to thank the managers and staff of the IMO who willingly provided information and shared in discussions with us while we carried out this market audit.

2. **RULE CHANGES SINCE THE LAST MARKET AUDIT**

2.1 **INTRODUCTION**

The IMO is nearing completion of a programme of reviewing the Market Rules and their associated procedures. In this context, it is important to appreciate that the content and form of the Market Rules are outside the scope of the market audit, which considers whether the IMO – and System Management – have complied with the Rules.

The review process has given rise to a significant number of amendments to most chapters of the Rules, with each amendment itself affecting more than one chapter. Therefore, rather than noting on a chapter-by-chapter basis the Rules which have been changed, we note these changes on a Rule Change basis.

However, this will not alter our opinions expressed in the following sections which consider compliance on a Market Rule chapter-by-chapter basis.

2.2 **MARKET RULE CHANGES**

The following Market Rule Changes have been implemented since the time of the last audit. All Rule Changes below have been implemented following the Rule Change process as set out in sections 2.5 and 2.7 of the Market Rules. Note that not all of these amendments affect the IMO's obligations.

Table 1: Market Rule changes

Reference	Title	Market Rules Affected
RC_2009_13	Timing Flexibility for Transfer of Information from System Management	7.2.3C and 7.3.6
RC_2009_05	Confidentiality of Accepted Outages	3.18.4 and 3.18.5D (new).
RC_2009_26	Heads of Power for Market Procedures	3.11.15 (new), 4.14.11 (new), 7.13.3 (new) and 10.2.7 (new)
RC_2009_15	Removal of ERA Time Limit to Publish Investigation Results	2.16.9F, 2.16.9FA (new) and 2.16.9FB (new)
RC_2008_20	Demand Side Management – Operational Issues	4.26.1, 4.26.1C (new), 4.26.2, 4.26.2D (new), 4.26.2E (new), 4.26.3 and 4.26.3A (new)
RC_2009_18	Reserve Capacity Refund Price Calculation	4.26.1
RC_2009_24	Market Procedure Change Process Timelines	2.10.4 and 2.10.11
RC_2009_29	Determination of Capacity Shortfalls for Curtailable Loads	4.26.2D
RC_2009_07	Under Construction for the Reserve Capacity Mechanism	4.2.7, 4.14.6 and Appendix 3
RC_2009_19	Reserve Capacity Performance Monitoring	4.27.2
RC_2009_20	Opportunistic Maintenance outage approval timeframe	3.19.2(a)
RC_2009_23	System Management Review Period Budget Coverage Amendment	2.23.1, 2.23.2, 2.23.3, 2.23.5, 2.23.7, 2.23.12, 3.11.11, 3.11.14, 3.13.1, 3.13.3, 3.13.3A (new), 3.13.3B

2. Rule Changes since the last market audit. . .

Reference	Title	Market Rules Affected
		(new), 3.13.3C (new) and 3.22.1
RC_2009_11	Changing the Window of Entry into the Reserve Capacity Mechanism	4.1.26 and 4.11.1
RC_2009_30	Correction of Minor and Typographical Errors	1.4.1, 1.5.1, 2.1.2, 2.5.7, 2.5.14, 2.5.15, 2.7.6, 2.7.8, 2.8.9, 2.13.10, 2.14.1, 2.14.3, 2.16.2, 2.28.16B, 2.29.9, 2.30.5, 2.30B.3, 2.30B.5, 2.30B.9, 2.30B.11, 2.30C.1, 2.31.3, 2.32.4(b)(i), 2.34.7, 3.10.2(a)(i), 3.18.11A(a), 3.18.11A(b), 4.10.1(e), 4.11.1(a), 3.18.11(aA), 3.19.6(a), 4.12.6(b), 6.3A.2, 6.5.1(b), 8.4.1, 8.4.2, 8.4.3, 8.4.4, 8.4.5, 8.5.2, 8.6.1, 8.6.2, 9.3.4, 9.16.2, 9.9.1, 9.23.4(b), 9.24.1, 9.24.2, 10.5.1, the Glossary, Appendix 4A and Appendix 5.
RC_2009_28	Market Advisory Committee Constitution and Operating Practices	2.3.1, 2.3.1A(new), 2.3.2, 2.3.5, 2.3.10, 2.3.14, 2.3.15, 2.3.17, 2.7.4, 2.7.5, 2.7.7, 2.10.8, 2.10.9, 2.10.13 and the Glossary
RC_2009_41	Removal of Appendix 8- "Top-up and Spill Rules"	1.8.2, 1.9.7, 1.9.8, 1.9.9, 1.9.10 and Appendix 8.
RC_2009_10	Early Certified Reserve Capacity	4.1.1A, 4.5.2, 4.9.3, 4.11.1, 4.12.6, 4.15.1, 4.15.2, 4.28C.1 (new), 4.28C.2 (new), 4.28C.3 (new), 4.28C.4 (new), 4.28C.5 (new), 4.28C.6 (new), 4.28C.7 (new), 4.28C.8 (new), 4.28C.9 (new), 4.28C.10 (new), 4.28C.11 (new), 4.28C.12 (new), 4.28C.13 (new), 4.28C.14 (new),4 and 4.28C.15(new) and the Glossary of the Market Rules and Appendix 3.
RC_2009_21	Treatment of Negative MCAP on the Settlement of Ancillary Services	9.9.2
RC_2009_17	Transparency of capacity Credit Allocation	10.5.1
RC_2010_03	Calculation of Net STEM Shortfall	4.26.2, 4.26.2E. 4.26.3 and 4.26.2F(new).
RC_2009_40	Provision of Load Following Ancillary Service	3.9.1
RC_2009_08	Updates to Commissioning Provisions	3.21A.2, 3.21A.3, 3.21A.4, 3.21A.7, 4.1.26, 4.12.6, 4.26.1A, 7.9.4, and the Glossary
RC_2009_35	Energy Price Limits Methodology and Consultation Process	6.20.2, 6.20.7, 6.20.9, 6.20.10 and new clause 6.20.9A
RC_2010_01	Annual Review of Margin Values	3.13.3A

2. Rule Changes since the last market audit. . .

Reference	Title	Market Rules Affected
RC_2010_02	Correction of Chapter 4 minor, typographical and manifest errors	4.1.2, 4.1.27, 4.13.5(a), 4.13.8(c), 4.13.10(c), 4.13.11, 4.23A.3(c), 4.24.1, 4.25.3A, 4.25.4(b), 4.25.4B, 4.25.4F, 4.25.8(b), 4.25.9, 4.25.12, 4.26.2C(d), 4.27.5, 4.27.6, 4.27.7, 4.27.8, 4.27.9, 4.27.10A, 4.27.11, 4.27.11A, 4.27.11D, 4.28C.2, 4.28C.4, 4.28C.7, 4.28C.8, 4.28C.9 and 4.28C.12

3. MARKET RULE CHAPTER 1 – INTRODUCTION

Market Rule Chapter 1 sets out the Introduction to the Market Rules and covers areas such as the objectives of the market, conventions and transitional arrangements.

3.1 AMENDMENTS TO CHAPTER 1

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 1.4.1, 1.5.1,
- 1.8.2, 1.9.7, 1.9.8, 1.9.9, 1.9.10 and Appendix 8.

3.1.1 Clauses 1.4.1, 1.5.1,

These clauses correct minor or typographical errors.

3.1.2 Clauses 1.8.2, 1.9.7, 1.9.8, 1.9.9, 1.9.10 and Appendix 8

These clauses relate to the removal of Appendix 8 "Top-up and Spill Rule".

3.2 DOCUMENTATION

Market Procedures and Internal Procedures relating to Chapter 1 of the Market Rules have not been updated since last year's market audit.

3.3 COMPLIANCE WITH CHAPTER 1

PA has reviewed the incremental changes to Chapter 1 and the associated market and internal procedures. On the basis of this incremental assessment, the procedures, if followed, should result in compliance with the Market Rules.

3.4 OPINION

The IMO has complied with its obligations under Chapter 1 of the Market Rules.

4. MARKET RULE CHAPTER 2 – ADMINISTRATION

Market Rule Chapter 2 sets out the Functions and Governance Rules, most of which are the responsibility of the IMO in its Market Administration role.

4.1 AMENDMENTS TO CHAPTER 2

The amendments to Chapter 2 are as follows:

- 2.16.9F, 2.16.9FA (new) and 2.16.9FB (new)
- 2.10.4 and 2.10.11
- 2.23.1, 2.23.2, 2.23.3, 2.23.5, 2.23.7, 2.23.12
- 2.1.2, 2.5.7, 2.5.14, 2.5.15, 2.7.6, 2.7.8, 2.8.9, 2.13.10, 2.14.1, 2.14.3, 2.16.2, 2.28.16B, 2.29.9, 2.30.5, 2.30B.3, 2.30B.5, 2.30B.9, 2.30B.11, 2.30C.1, 2.31
- 2.3.1, 2.3.1A(new), 2.3.2, 2.3.5, 2.3.10, 2.3.14, 2.3.15, 2.3.17, 2.7.4, 2.7.5, 2.7.7, 2.10.8, 2.10.9, 2.10.13 and the Glossary.

4.1.1 Clauses 2.16.9F, 2.16.9FA (new) and 2.16.9FB (new)

This clause relates to the removal of the ERA Time Limit to Publish Investigation Results.

4.1.2 Clauses 2.10.4 and 2.10.11

These clauses relate to market procedure change process timelines as they relate to System Management.

4.1.3 Clauses 2.23.1, 2.23.2, 2.23.3, 2.23.5, 2.23.7, 2.23.12

These clauses (along with associated clauses in Chapter 3) relate to System Management Review Period Budget Coverage Amendment.

4.1.4 Clauses 2.1.2, 2.5.7, 2.5.14, 2.5.15, 2.7.6, 2.7.8, 2.8.9, 2.13.10, 2.14.1, 2.14.3, 2.16.2, 2.28.16B, 2.29.9, 2.30.5, 2.30B.3, 2.30B.5, 2.30B.9, 2.30B.11, 2.30C.1, 2.31

These clauses correct minor and typographical errors.

4.1.5 Clauses 2.3.1, 2.3.1A(new), 2.3.2, 2.3.5, 2.3.10, 2.3.14, 2.3.15, 2.3.17, 2.7.4, 2.7.5, 2.7.7, 2.10.8, 2.10.9, 2.10.13 and the Glossary

These clauses reflect changes to the Market Advisory Committee Constitution and Operating Practices.

4.2 DOCUMENTATION

The following Market Procedures relating to Chapter 2 of the Market Rules have been updated since last year's market audit:

- Market Procedure for Procedure Administration.

4. Market rule Chapter 2 – Administration. . .

The following Internal Procedures relating to Chapter 2 of the Market Rules have been updated since last year's market audit:

- Internal Procedure: Disputes
- Internal Procedure: Rule Change Process
- Internal Procedure: Registration
- Internal Procedure: Market Surveillance and ERA monthly reporting
- Internal Procedure: Prudential Procedure
- Internal Procedure: Annual Review of MAC Composition.

4.3 COMPLIANCE WITH CHAPTER 2

4.3.1 Incidents

Incidents associated with the IMO implementation of Chapter 2 of the Market Rules are set out in Table 2 below.

Table 2: Incidents of non-compliance with Chapter 2

Rule	The Issue	Material?	Comment
2.27.6	<p>The IMO must document standards, methodologies and procedures for determining loss factors in a Market Operations Procedure.</p> <p>The rules require a “Market Operations Market Procedure” whereas the IMO has published a “Loss Factor Market Procedure”.</p>	No	This could be resolved by relabeling the Market Procedure as part of the review of market procedures.
2.34.1(b)	The IMO must provide standing data and revisions to System Management (SM) as soon as practicable. Standing Data includes some information about prices. The IMO deems it inappropriate for pricing information to be provided to SM and the IMO systems do not allow for it.	No	We understand the IMO is to develop a rule change proposal to exclude pricing information from Standing Data provided to SM.
2.37.9, 2.43.1	<p>The IMO must develop guidelines for expected value of transactions (2.37.9) and a market procedure dealing with ...guidelines for assessing expected value of transactions (2.43.1).</p> <p>At present there are no guidelines for assessing expected value of transactions in the Prudential Market procedure.</p>	No	The methodology for determining credit limits and the expected value of transactions which contributes to the process is under review.
2.32.1	<p>The IMO must maintain certain registration forms on its website.</p> <p>The deregistration form was not on the IMO website. (When the IMO transferred to the new website the form was not transferred.)</p>	No	This lapse was remedied in June 2010.
2.29.2	<p>No facility registered in one class can be registered in another class (the classes are defined in the glossary).</p> <p>There is a facility (KANOWNA) which is registered as an interruptible load for an Ancillary Service payment and</p>	No	We understand the IMO is arranging with Kanowna for the deregistration of the facility from one of the two categories.

Rule	The Issue	Material?	Comment
	registered again as a curtailable load.		
2.24.2	<p>Before 30 June each year the IMO must publish the level of market fees for itself, SM and the ERA for the following financial year.</p> <p>The fees are not finalised until they are approved by the Minister as part of the budget. This year the Minister did not approve the budget by 30 June, so there were no final budget figures available to publish on that date.</p>	No	A rule change will be proposed that will require the fees to be published once the Ministers' approval is received.
2.23.11	<p>SM must provide the budget to the IMO and the IMO must publish the budget by 30 June each year.</p> <p>The IMO did not publish by 30 June 2010.</p>	No	This will be resolved by the proposed rule change referred to above.
Rule 2.13 2 & Monitoring Protocol	<p>IMO must not disclose the identity of participants that allege breaches of the rules by other participants.</p> <p>The IMO has always routinely disclosed the details of allegations made by SM to the participant concerned.</p>	No	We understand the IMO is considering changing the Market Procedure to permit disclosure of the identity of SM when it alleges a breach of the rules.

4.3.2 Comment

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market. All have actions associated with them designed to remedy the breach.

4.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 2 of the Market Rules.

5. MARKET RULE CHAPTER 3 – POWER SYSTEM SECURITY AND RELIABILITY

Market Rule Chapter 3 sets out the Power System Security and Reliability Rules which are the responsibility of the IMO in its Market Administration role.

5.1 AMENDMENTS TO CHAPTER 3

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 3.18.4 and 3.18.5D (new)
- 3.11.15 (new)
- 3.19.2(a)
- 3.11.11, 3.11.14, 3.13.1, 3.13.3, 3.13.3A (new), 3.13.3B (new), 3.13.3C (new) and 3.22.1
- 3.10.2(a)(i), 3.18.11A(a), 3.18.11A(b), 3.18.11(aA), 3.19.6(a)
- 3.9.1
- 3.21A.2, 3.21A.3, 3.21A.4, 3.21A.7
- 3.13.3A.

5.1.1 Clauses 3.18.4 and 3.18.5D

These clauses relate to the obligations of System Management in terms of the confidentiality of accepted outages.

5.1.2 Clause 3.11.15 (new)

This clause is one of a series of rule amendments relating to System Management's obligations to document in a Power System Operation Procedure procedures relating to ancillary services.

5.1.3 Clause 3.19.2(a)

This clause relates to System Management's Opportunistic Maintenance outage approval timeframe.

5.1.4 Clauses 3.11.11, 3.11.14, 3.13.1, 3.13.3, 3.13.3A (new), 3.13.3B (new), 3.13.3C (new) and 3.22.1

These clauses relate to System Management Review Period Budget Coverage Amendment. It includes a number of obligations on the part of the Economic Regulatory Authority.

5.1.5 Clauses 3.10.2(a)(i), 3.18.11A(a), 3.18.11A(b), 3.18.11(aA), 3.19.6(a)

These clauses correct minor and typographical errors.

5. Market Rule Chapter 3 – Power system security and reliability. . .

5.1.6 Clause 3.9.1

This amendment relates to Provision of Load Following Ancillary Service.

5.1.7 Clause 3.21A.2, 3.21A.3, 3.21A.4, 3.21A.7,

These amendments update commissioning provisions.

5.1.8 Clause 3.13.3A

This clause relates to the Annual Review of Margin Values.

5.2 DOCUMENTATION

No Market Procedures associated with Chapter 3 of the Market Rules have been amended since the last market audit.

The following Internal Procedures relating to Chapter 3 have been updated since last year's market audit:

- Processing of System Management Reports.

A new internal procedure is being created to implement change to Clause 3.13.3A.

5.3 COMPLIANCE WITH CHAPTER 3

PA has reviewed the updated documentation and found it to be in compliance with the Market Rules.

We have not noted any non-compliance on the part of the IMO with respect to its obligations under Chapter 3 of the Market Rules.

5.4 OPINION

As far as we have been able to determine, the IMO has complied with its obligations under Chapter 3 of the Market Rules.

6. MARKET RULE CHAPTER 4 – RESERVE CAPACITY

Market Rule Chapter 4 sets out the Reserve Capacity Rules which are the responsibility of the IMO in its System Capacity role.

6.1 AMENDMENTS TO CHAPTER 4

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 4.14.11 (new)
- 4.26.1, 4.26.1C (new), 4.26.2, 4.26.2D (new), 4.26.2E (new), 4.26.3 and 4.26.3A (new)
- 4.26.1
- 4.26.2D
- 4.2.7, 4.14.6 (and Appendix 3)
- 4.27.2
- 4.1.26 and 4.11.1
- 4.10.1(e), 4.11.1(a), , 4.12.6(b)
- 4.1.1A, 4.5.2, 4.9.3, 4.11.1, 4.12.6, 4.15.1, 4.15.2, 4.28C.1 (new), 4.28C.2 (new), 4.28C.3 (new), 4.28C.4 (new), 4.28C.5 (new), 4.28C.6 (new), 4.28C.7 (new), 4.28C.8 (new), 4.28C.9 (new), 4.28C.10 (new), 4.28C.11 (new), 4.28C.12 (new), 4.28C.13 (new), 4.28C.14 (new), 4 and 4.28C.15(new) and the Glossary of the Market Rules and Appendix 3
- 4.26.2, 4.26.2E. 4.26.3 and 4.26.2F(new)
- 4.1.26, 4.12.6, 4.26.1A,
- 4.1.2, 4.1.27, 4.13.5(a), 4.13.8(c), 4.13.10(c), 4.13.11, 4.23A.3(c), 4.24.1, 4.25.3A, 4.25.4(b), 4.25.4B, 4.25.4F, 4.25.8(b), 4.25.9, 4.25.12, 4.26.2C(d), 4.27.5, 4.27.6, 4.27.7, 4.27.8, 4.27.9, 4.27.10A, 4.27.11, 4.27.11A, 4.27.11D, 4.28C.2, 4.28C.4, 4.28C.7, 4.28C.8, 4.28C.9 and 4.28C.12

6.1.1 Clause 4.14.11 (new)

This clause is one of a series of rule amendments relating to heads of power for market procedures.

6.1.2 Clauses 4.26.1, 4.26.1C (new), 4.26.2, 4.26.2D (new), 4.26.2E (new), 4.26.3 and 4.26.3A (new)

This clause relates to associated with demand side management operational issues.

6.1.3 Clause 4.26.1

This clause relates to the Reserve Capacity Refund Price Calculation.

6. Market Rule Chapter 4 – Reserve capacity. . .

6.1.4 Clause 4.26.2D

This clause relates to Determination of Capacity Shortfalls for Curtailable Load.

6.1.5 Clauses 4.2.7, 4.14.6 (and Appendix 3)

These clauses relate to Under Construction for the Reserve Capacity Mechanism.

6.1.6 Clause 4.27.2

This clause relates to Reserve Capacity Performance Monitoring.

6.1.7 Clause 4.1.26 and 4.11.1

These clauses relate to Changing the Window of Entry into the Reserve Capacity Mechanism.

6.1.8 Clauses 4.10.1(e), 4.11.1(a), 4.12.6(b)

These clauses correct minor and typographical errors.

6.1.9 Clauses 4.1.1A, 4.5.2, 4.9.3, 4.11.1, 4.12.6, 4.15.1, 4.15.2, 4.28C.1 (new), 4.28C.2 (new), 4.28C.3 (new), 4.28C.4 (new), 4.28C.5 (new), 4.28C.6 (new), 4.28C.7 (new), 4.28C.8 (new), 4.28C.9 (new), 4.28C.10 (new), 4.28C.11 (new), 4.28C.12 (new), 4.28C.13 (new), 4.28C.14 (new), 4 and 4.28C.15(new) and the Glossary of the Market Rules and Appendix 3

These clauses relate to Early Certified Reserve Capacity.

6.1.10 Clauses 4.26.2, 4.26.2E, 4.26.3 and 4.26.2F(new)

These clauses relate to calculation of Net STEM Shortfall.

6.1.11 Clauses 4.1.26, 4.12.6, 4.26.1A

These amendments update commissioning provisions.

6.1.12 Clauses 4.1.2, 4.1.27, 4.13.5(a), 4.13.8(c), 4.13.10(c), 4.13.11, 4.23A.3(c), 4.24.1, 4.25.3A, 4.25.4(b), 4.25.4B, 4.25.4F, 4.25.8(b), 4.25.9, 4.25.12, 4.26.2C(d), 4.27.5, 4.27.6, 4.27.7, 4.27.8, 4.27.9, 4.27.10A, 4.27.11, 4.27.11A, 4.27.11D, 4.28C.2, 4.28C.4, 4.28C.7, 4.28C.8, 4.28C.9 and 4.28C.12

These amendments correct minor, typographical and manifest errors.

6.2 DOCUMENTATION

The following Market Procedures are new or updated since last year's market audit:

- Reserve Capacity Procedure: Undertaking the LT PASA and conducting a review of the Planning Criterion, and
- Reserve Capacity Procedure: Reserve Capacity Testing.

6. Market Rule Chapter 4 – Reserve capacity. . .

The following Internal Procedures are new or updated since last year's market audit:

- Internal Procedure: Reserve Capacity Testing
- Internal Procedure: Determination of Maximum Reserve Capacity Price
- Internal Procedure: Calling for EOIs for New Capacity
- Internal Procedure: Progress Reports for construction of New Capacity
- Internal Procedure: Determination of Individual Reserve Capacity Requirements
- Internal Procedure: Reserve Capacity WEMS Procedure
- Internal Procedure: Forecasting and Reliability Procedure
- Internal Procedure: Applications for Accreditation for the Purposes of Certification of Reserve Capacity for Intermittent Generators

6.3 COMPLIANCE WITH CHAPTER 4

6.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 3 below.

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Table 3: Incidents of non-compliance with Chapter 4

Rule	The Issue	Material?	Comment
4.26.2	<p>The IMO must determine net STEM shortfall in accordance with the methodology set out in this rule, which includes the DSQ of curtailable loads.</p> <p>The IMO does not include the DSQ of curtailable loads in the calculation of the net STEM Shortfall.</p>	No	This reflected a problem in the Rule subsequently corrected by RC 2010-03 which took effect April 2010.
4.1.28(b)	<p>The IMO must publish updated IRCRs by 5pm 5 days before the start of each trading month.</p> <p>In February 2010 publication was three days late</p>	No	This is now in the Market Operations calendar, which is checked every Monday by the operator.
4.25.4(b)	<p>When a facility fails a reserve capacity test the number of capacity credits must be reduced with effect from the next business day.</p> <p>Due to the day ahead market it's not possible to change a capacity credit number for the next day, only the day after next.</p>	No	This has been entered in the IMO log as requiring a change to the rules.
4.27.2	<p>By 5th Business Day each month the IMO must assess total capacity in the previous 12 months.</p> <p>The RCP Calc did not run as expected in December 2009. It ran in January.</p>	No	Caused by an IT system problem at failover. A coding issue that has since been corrected.
4.5.14	Contrary to the Rules the IMO did not have a published version of the LT PASA Market Procedure on the WEB.	No	The Final Report for the Market Procedure was published on 24 May 2010 to take effect on 1 June 2010
4.24.18	The IMO did not have a published version of the Supplementary Reserve Capacity Procedure Market Procedure on the WEB.	No	This is currently being remedied.

Rule	The Issue	Material?	Comment
4.9.9	<p>If the IMO assigns Certified Reserve Capacity to a Facility in respect of a Reserve Capacity Cycle, the IMO must advise the applicant of the calculations on which the IMO's determinations are based.</p> <p>The IMO does not disclose this information.</p>	No	<p>The IMO has put a rule change discussion paper to the MAC recommending changes to the rules relating to certification. These are expected to be submitted as a rule change by the end of Dec 2010.</p>
4.27.11C	<p>The IMO must notify a participant within ten business days if it does not approve a date nominated by the participant in a progress report.</p> <p>On one occasion the IMO responded on the 11th business day.</p>	No	<p>The IMO intends to promote a rule change in this area.</p>

6. Market Rule Chapter 4 – Reserve capacity. . .

6.3.2 Comment

Notwithstanding the updates to the documentation, we note that there are still a considerable number of amendments required to reflect recent rule changes in this area in both the Market Procedures and the IMO's Internal Procedures.

In terms of the breaches to this section of the Rules, none are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market. All have actions associated with them designed to remedy the breach.

6.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 4 of the Market Rules.

7. MARKET RULE CHAPTER 5 – NETWORK CONTROL SERVICE PROCUREMENT

Market Rule Chapter 5 sets out the Network Control Service Procurement Rules which are the responsibility of the IMO in its System Capacity role.

7.1 AMENDMENTS TO CHAPTER 5

There have been no amendments that relate to the IMO's obligations in Chapter 5 of the Market Rules since last year's market audit.

7.2 DOCUMENTATION

The following Market Procedure has been updated since last year's market audit:

- Market Procedure for Network Control Services.

7.3 COMPLIANCE WITH CHAPTER 5

As at the time of writing, the IMO has not used the provisions of Chapter 5 of the Market Rules.

7.4 OPINION

We are able only to advise that should the IMO utilise the provisions of Chapter 5 of the Market Rules, the procedures set out in the Market Procedure for Network Control Services are expected to ensure that the IMO will do so in a manner that complies with Chapter 5 of the Market Rules.

8. MARKET RULE CHAPTER 6 – ENERGY MARKET

Market Rule Chapter 6 sets out the Energy Market Rules, which are the responsibility of the IMO in its Market Operations role.

8.1 AMENDMENTS TO CHAPTER 6

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 6.3A.2, 6.5.1(b)
- 6.20.2, 6.20.7, 6.20.9, 6.20.10 and new clause 6.20.9A

8.1.1 Clauses 6.3A.2, 6.5.1(b)

These amendments correct minor and typographical errors.

8.1.2 Clauses 6.20.2, 6.20.7, 6.20.9, 6.20.10 and new clause 6.20.9A

These amendments make changes to Energy Price Limits Methodology and Consultation Process.

8.2 DOCUMENTATION

No Market Procedures associated with Chapter 6 of the Market Rules have been amended since the last market audit.

The following Internal Procedures are new or updated since last year's market audit:

- Internal Procedure: Draft Operational Contingency Procedure
- Internal Procedure: Draft Daily Operations Procedure Manual
- Internal Procedure: Monthly Operational Procedure Manual
- Internal Procedure: Energy Price Limits Review.

8.3 COMPLIANCE WITH CHAPTER 6

8.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 4 below.

Table 4: Incidents of non-compliance with Chapter 6

Rule	The Issue	Material?	Comment
6.12.1	<p>The IMO must determine the dispatch merit order. Dual fuelled facilities must appear in the position determined by the specified prices.</p> <p>ALCOA Wagerup was not placed in the DMO by the IMO IT system. This was caused by prices submitted by Alcoa being outside the limits.</p>	No	<p>There was no impact as the DMO was not used by System Management to dispatch any participant that day.</p> <p>An IT change will be required to ensure that facilities are still placed in the DMO even if prices are outside price limits. Release 2.4 will correct this.</p>
6.2.2A	<p>When the IMO accepts a bilateral submission it must as soon as practicable revise the bilateral submission data.</p> <p>IMO does not always do this.</p>	No	Verve Energy has proposed a rule change to allow the window to be extended.
6.4.3	<p>The IMO must make certain information available to each participant by 10.30 on each Scheduling Day.</p> <p>STEM summary Information was published late. A PUBLISH_NEAR_RT event failed which then delayed the three events associated with the publication of the STEM summary information on the IMO web site.</p>	No	Ongoing IT improvements should reduce the likelihood of reoccurrence.
6.3A.1.(a)	<p>The IMO must publish certain information by 8am and by 9am each day.</p> <p>The IMO published the load forecast for trading day 12/06/2010 late due to receiving the file late from SM.</p>	No	The IMO is investigating the cause of the late arrival of the file.

8.3.2 Comment

PA has reviewed the amendments to the Internal Procedures. The procedures, if followed, should result in compliance with the Market Rules.

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market. All have actions associated with them designed to remedy the breach.

8.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 6 of the Market Rules.

9. MARKET RULE CHAPTER 7 – DISPATCH

Market Rule Chapter 7 sets out the Dispatch Rules which are the responsibility of System Management and the IMO in its Market Operations role.

9.1 AMENDMENTS TO CHAPTER 7

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 7.13.3 (new)
- 7.9.4, and the Glossary.

9.1.1 Clauses 7.13.3

This clause is one of a series of rule amendments relating to heads of power for market procedures.

9.1.2 Clauses 7.9.4, and the Glossary

These amendments update commissioning provisions.

9.2 DOCUMENTATION

No Procedures associated with Chapter 7 of the Market Rules have been amended since the last market audit.

9.3 COMPLIANCE WITH CHAPTER 7

9.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 5 below.

Table 5: Incidents of non-compliance with Chapter 7

Rule	The Issue	Material?	Comment
7.5.1	The Rules state that the IMO must send a Dispatch Merit Order to System Management by 1.30 each day. On the 25 th of November 2009 DMO sent late due to an IT system fail over event.	No	The DMO was sent to System Management approximately an hour later than the deadline required by the rules. The effect on System Management was minor and administrative, as System Management doesn't need to use the DMO until the next day.
7.5.1	The Rules state that the IMO must send a Dispatch Merit Order to System Management by 1.30 each day. On 14 December 2009 DMO sent late due to fail over.	No	The DMO was sent to System Management approximately an hour later than the deadline required by the rules. The effect on System Management was minor and administrative, as System Management doesn't need to use the DMO until the next day.
7.5.1	The IMO must provide SM with the DMO by 1.30 each day. On 23 January 2010 IMO failed to send Dispatch Merit order on time, due to IT issues. The operator thought the event worked successfully when it didn't.	No	This occurs sometimes on weekends, when Operators from SM and the IMO are not at the office, and communication is heavily reliant on the FTP servers successfully sending both files and receipts between SM and IMO. It is caused by a problem with the FTP server. SM and the IMO are exploring ways to overcome these problems.
7.5.1	For the second day on the same weekend (24 January 2010) the IMO failed to send the Dispatch Merit order on time, due to IT issues. The operator thought the event worked successfully when it didn't.	No	This occurs sometimes on weekends when Operators from SM and the IMO are not at the office, and communication is heavily reliant on the FTP servers successfully sending both files and receipts between SM and IMO. It is caused by a problem with the FTP server. SM and the IMO are exploring ways to overcome these problems.

9.3.2 Comment

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market.

9.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 7 of the Market Rules.

10. MARKET RULE CHAPTER 8 – WHOLESALE MARKET METERING

Market Rule Chapter 8 sets out the Wholesale Market Metering Rules which are the responsibility of the IMO in its Market Operations role.

10.1 AMENDMENTS TO CHAPTER 8

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 8.4.1, 8.4.2, 8.4.3, 8.4.4, 8.4.5, 8.5.2, 8.6.1, 8.6.2

10.1.1 Clauses 8.4.1, 8.4.2, 8.4.3, 8.4.4, 8.4.5, 8.5.2, 8.6.1, 8.6.2

These clauses correct minor and typographical errors.

10.2 DOCUMENTATION

The following Market Procedures relating to Chapter 2 of the Market Rules have been updated since last year's market audit:

- Market Procedure for Meter Data Submissions

The following Internal Procedures are new or updated since last year's market audit:

- Internal Procedure: Metering Procedure Manual
- Internal Procedure: Handling of Confidential Information
- Internal Procedure: Publish to Web for Market Development Team.

10.3 COMPLIANCE WITH CHAPTER 8

10.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 6 below.

Table 6: Incidents of non-compliance with Chapter 8

Rule	The Issue	Material?	Comment
8.3.2	<p>When processing an application to register a facility, the IMO must seek confirmation from the relevant MDA that the application is correct.</p> <p>The IMO does not routinely seek confirmation from the MDA when registering curtailable loads.</p>	No	MDA consultation is important for dispatchable loads but not for curtailable loads.

10.3.2 Comment

PA has reviewed the amended Market Procedures and associated Internal Procedures. The procedures, if followed, should result in compliance with the Rules.

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market.

10.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 8 of the Market Rules.

11. MARKET RULE CHAPTER 9 – SETTLEMENT

Market Rule Chapter 9 sets out the Settlement Rules which are the responsibility of the IMO in its Market Operations role.

11.1 AMENDMENTS TO CHAPTER 9

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 9.3.4, 9.16.2, 9.9.1, 9.23.4(b), 9.24.1, 9.24.2
- 9.9.2

11.1.1 Clauses 9.3.4, 9.16.2, 9.9.1, 9.23.4(b), 9.24.1, 9.24.2

These clauses correct minor and typographical errors.

11.1.2 Clause 9.9.2

These clauses relate to the treatment of Negative MCAP on the settlement of ancillary services.

11.2 DOCUMENTATION

No Market Procedures associated with Chapter 9 of the Market Rules have been amended since the last market audit.

The following Internal Procedures relating to Chapter 1 of the Market Rules have been updated since last year's market audit:

- Internal Procedure: STEM Settlement Procedure.

We understand that other Internal Procedures are currently in the process of being reviewed.

11.3 COMPLIANCE WITH CHAPTER 9

11.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 7 below.

Table 7: Incidents of non-compliance with Chapter 9

Rule	The Issue	Material?	Comment
9.19.1(b)	When undertaking an adjustment process the IMO must provide adjusted statements to participants in accordance with the published timeline. On 1 October 2009, the adjustment statements were issued two days late.	No	Settlements system had issues processing balancing calculations for a market participant, who logged a disagreement. It was a final adjustment, so the decision was made to delay the run until the disagreement was resolved.
9.4.5	By noon of the day following the receipt of a capacity credit allocation, the IMO must notify the participant of the receipt and whether the allocation is accepted. The event used to publish initial allocations was not run on 23 November 2009 for the Month of October 2009.	No	This is one of the events on the settlement cycle timeline. The problem was caused by putting the Settlement Cycle Timeline on hold, then not resetting it. The timeline is currently being reviewed, and if possible will be set so that this event occurs on the same day each month. That will then allow for automated prompts to be developed.
9.19.1, 9.17.1	The IMO must provide settlement statements in line with dates in the published timetable. Due to processing errors and issues, the following statements were published on dates other than the one specified in the settlement cycle timeline: adjustment statements for October 2nd, and November 3 rd , STEM statements for week 14 and initial run statements for week 13.	No	Underlying IT issues that caused this problem have now been fixed.
9.18.3(c) I	The Rules state that Non-STEM settlement statements must contain bilateral quantities for each participant. Currently, the statements only contain bilateral contract quantities for the specific market participant, not each participant.	No	The IMO will propose a rule change to clarify that participants will receive only their own information.

Rule	The Issue	Material?	Comment
9.18.3(c) vii	<p>The Rules state that Non-STEM settlement statements should contain the notional wholesale meter values.</p> <p>The Rules do not make it clear that this should only be provided to Synergy (the holder of the Notional Meter) and therefore should not be published to all participants.</p>	No	The IMO will propose a rule change to clarify that participants other than Synergy do not receive information about the Notional Wholesale Meter values.
9.20.5	<p>If a notice of disagreement relates to information provided by an MDA or SM the IMO must notify the MDA/SM within 5 days and seek a response.</p> <p>In March 2010 the IMO requested some information from SM, some time after the disagreement was raised.</p>	No	The IMO has revised its internal procedure to ensure compliance with timelines.
9.19.2	Contrary to the requirements of the Rules, adjusted settlement statements do not provide a detailed explanation of changes in each settlement statement.	No	The IMO will propose a rule change that will remove the requirement to provide more information than is currently being provided.
9.24.6	<p>The Rules state that the IMO must notify each participant of the amount it must pay as default levy within 6 business days of the default occurring.</p> <p>In the case of a shortpayment, the IMO has to raise a default levy. Due to processing issues with the settlements client, invoices could not be issued within 6 days.</p>	No	The problem was caused by a bug in once piece of software that was used. Since then a new process has been adopted that does not use that software.
9.4.5.	<p>The Rules state that by noon on the business day after receiving capacity credit allocation submissions the IMO must notify the submitting participant whether it has been accepted.</p> <p>As per the Settlement Cycle timeline the IMO needs to open and close event windows in accordance with this timeline. It appears that the CAP_ALLOC_CLOSE event for 01/FEB/10 - 28/FEB/10 was closed a day later (25/03/2010).</p>	No	These events occurred during a failover of the IT system. This is an occasional IT risk for which no solution has yet been found. Market Operations internal procedures are to be revised to make sure that operators check the position after IT fail overs.

Rule	The Issue	Material?	Comment
9.23.4	<p>IMO must issue a cure notice when it becomes aware of any suspension event. This includes failure to pay money when due.</p> <p>IMO does not issue cure notices when participants underpay by very small amounts.</p>	No	A concept paper will be put to Participants and to the MAC to simplify settlements in such circumstances, and remove the requirement for a cure notice for small amounts.
9.19.1(b)	<p>IMO must provide Adjusted settlement statements (both STEM and Non-STEM) in accordance with the settlement cycle timeline.</p> <p>Non-STEM adjustment statements were one day late on the 24th of June 2009.</p>	No	The settlements cycle timeline for adjusted settlement statements that begins on 1 July 2010 will allow more time for them to be issued, and should overcome this problem.
9.17.1	<p>IMO must provide STEM settlement statements to MPs in accordance with the settlement cycle timeline.</p> <p>Publication of statements was a week late on 21 September 2009.</p>	No	This problem is caused by an intermittent IT system problem. An automated prompt will be developed that will overcome the issue.
9.18.1	<p>IMO must send certain information to MPs in accordance with the settlement cycle timeline</p> <p>On 29 September, the IMO failed to send PIR.</p>	No	This problem is caused by an intermittent IT system problem. An automated prompt will be developed that will overcome the issue.
9.18.3(c)ix(1)	This rule details what should be included in a settlement statement relating to reserve capacity. The Rules would seem to imply more information than is currently being included by the IMO.	No	Requires a rule change to clarify/rationalise the contents of the statement.
9.7.1	<p>This rule specifies how to calculate RC Settlement amounts.</p> <p>WA Biomass was paid incorrectly in RC payments due to an error with the settlement calculation.</p>	No	The underlying calculation error has been corrected. The normal reconciliation process that is effected by adjustment statements will ensure that all participants are made whole (including interest) in the subsequent settlement reconciliation.

Rule	The Issue	Material?	Comment
9.1.3	The IMO applies the bank bill rate for interest purposes to adjusted settlement statements. On 31 March 2010 Market Operations was advised of a new interest rate for April. On the web site it says that it applies from 1 April. It was entered into the settlement system as 31 March.	No	The IMO will review its internal procedures.

11.3.2 Comment

PA has reviewed the amended Market Procedures and associated Internal Procedures. The procedures, if followed should result in compliance with the Rules.

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market. The breaches all have follow up action points associated with them.

11.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 9 of the Market Rules.

12. MARKET RULE CHAPTER 10 - MARKET INFORMATION

Market Rule Chapter 10 sets out the Market Information Rules which are the responsibility of the IMO in its Market Administration role.

12.1 AMENDMENTS TO CHAPTER 10

The following clauses which relate to the IMO's obligations have been amended since last year's annual audit:

- 10.2.7 (new)
- 10.5.1

12.1.1 Clauses 10.2.7

This is a series of rule amendments relating to heads of power for market procedures.

12.1.2 Clauses 10.5.1

Amendments to this clause relate to the transparency of capacity credit allocation and the correction of minor and typographical errors.

12.2 DOCUMENTATION

No Market Procedures associated with Chapter 10 of the Market Rules have been amended since the last market audit.

The following Internal Procedures relating to Chapter 1 of the Market Rules have been updated since last year's market audit:

- Internal Procedure: Publish to Web Process for Market Development Team.

12.3 COMPLIANCE WITH CHAPTER 10

12.3.1 Incidents

Incidents associated with the IMO implementation are set out in Table 8 below.

Table 8: Incidents of non compliance with Chapter 10

Rule	The Issue	Material?	Comment
10.2.1	<p>The Rules state that the IMO must set the confidentiality status of all documents.</p> <p>The IMO has not done this since October 2008.</p>	No	<p>A high level review of the confidentiality requirements in the Rules is to be undertaken by an external consultant. Rule changes are expected to follow the review, simplifying the current categories of confidentiality status. An update of the confidentiality status of all documents will follow the rule changes.</p>
10.5.1(z)	<p>The Rules state that the IMO must publish the value of the Operational System Load taken from SCADA. This is expressed in MWh.</p> <p>The IMO currently publishes the information in MW.</p>	No	<p>The IMO will propose a rule change changing MWh to MW.</p>
10.5.1(c)	<p>The Rules state that the IMO must publish participant details on the market website.</p> <p>At one point the System did not render the Rule Participant details correctly on the website.</p>	No	<p>This occurred during an IT upgrade/failover. It was corrected within a day.</p>
10.5.1.v	<p>The Rules require the IMO to publish accounting information for each month in the preceding 24 calendar months - this has not been updated since June 2009.</p>	No	<p>It is intended that all backdated accounting information will be available on the website by around mid-2010. A process for publishing future reports will also be put in place.</p>

12.3.2 Comment

PA has reviewed the amended Internal Procedure. The procedures, if followed should result in compliance with the Rules.

None of the breaches to this section of the Rules are deemed to be material; that is the breaches do not compromise the intention of the Market Rules, and/or the decisions made by market participants or otherwise affect the outcome of the market.

12.4 OPINION

As far as we have been able to determine, there have been no material breaches of the IMO's obligations pursuant to Chapter 10 of the Market Rules.