



INDEPENDENT
MARKET
OPERATOR

Rule Change Notice

Market Rule changes arising due to the merger of the Electricity Retail Corporation and Electricity Generation Corporation (RC_2013_18)

This notice is given under clause 2.5.7 of the Market Rules.

Submitter: Simon Middleton, Merger Implementation Group

Date Submitted: 11 November 2013

The Proposal

On 10 April 2013, the Government of Western Australia announced a merger of the state owned electricity retailer, the Electricity Retail Corporation (trading as 'Synergy') and electricity generator, the Electricity Generation Corporation (trading as 'Verve Energy').

The Merger Implementation Group (MIG) was established to coordinate the implementation of the merger of the two corporations. The submitter of this Rule Change Proposal has been appointed by the MIG to manage the implementation process.

In light of the merger, the *Electricity Corporations Amendment Bill 2013* (Amendment Law) was laid before the Western Australia Parliament on 16 October 2013. The principal purpose of the Amendment Law is to amend the *Electricity Corporations Act 2005* and other Acts to effect the merger.

Royal Assent for the Amendment Law is expected to be received in early December, and it is intended that the merger will take effect on 1 January 2014. Relevantly, the Amendment Law contemplates that, with effect from this time:

- (i) all of the assets, rights and liabilities of Synergy will vest in Verve Energy (as the continuing corporation);
- (ii) Synergy will cease to exist as an electricity corporation;
- (iii) Verve Energy's corporate name will be changed to "Electricity Generation and Retail Corporation"; and
- (iv) Verve Energy's trading name will change to 'Synergy'.

In light of the impending legislative changes, the MIG has considered that procedural amendments



are required to the *Wholesale Electricity Market Rules 2004* (Market Rules) to preserve their overall integrity, clarity and consistency. Additionally, the proposed amendments will ensure that manifest errors do not arise as an unintended consequence of the merger.

The IMO notes that the proposed Amending Rules require changes to clauses 2.2.2, 2.3.5 and 2.16.7 which are Protected Provisions under clause 2.8.13 of the Market Rules. Under clause 2.8.3 of the Market Rules, these amendments to Protected Provisions necessitate the Amending Rules contained in this Rule Change Proposal to be approved by the Minister.

It should also be noted that clauses 6.5.1A, 7.6A.5(e) and 7.6A.6 are Category B civil penalty provisions and clauses 3.11.7A, 7.6A.2(g), 7.6A.3(c) and 7A.2.9 are Category C civil penalty provisions. The IMO notes that the proposed amendments do not change the obligations on Market Participants or the intent of the clauses and is therefore of the view that the civil penalties remain appropriate.

Appendix 1 contains the Rule Change Proposal and gives complete information about:

- the proposed amendments to the Market Rules;
- relevant references to clauses of the Market Rules and any proposed specific amendments to those clauses; and
- the submitter's description of how the proposed amendments would allow the Market Rules to better address the Wholesale Market Objectives.

Decision to Progress the Rule Change

The IMO has decided to progress the Rule Change Proposal on the basis that Rule Participants should be given an opportunity to make submissions as part of the rule change process.

The IMO has decided to progress the Rule Change Proposal under the Fast Track Rule Change Process described in section 2.6 of the Market Rules, on the grounds that it satisfies the criteria in clauses 2.5.9(a) and (b) of the Market Rules.

Clause 2.5.9 states:

The IMO may subject a Rule Change Proposal to the Fast Track Rule Change Process if, in its opinion, the Rule Change Proposal:

- (a) *is of a minor or procedural nature; or*
- (b) *is required to correct a manifest error; or*
- (c) *is urgently required and is essential for the safe, effective and reliable operation of the market or the SWIS.*

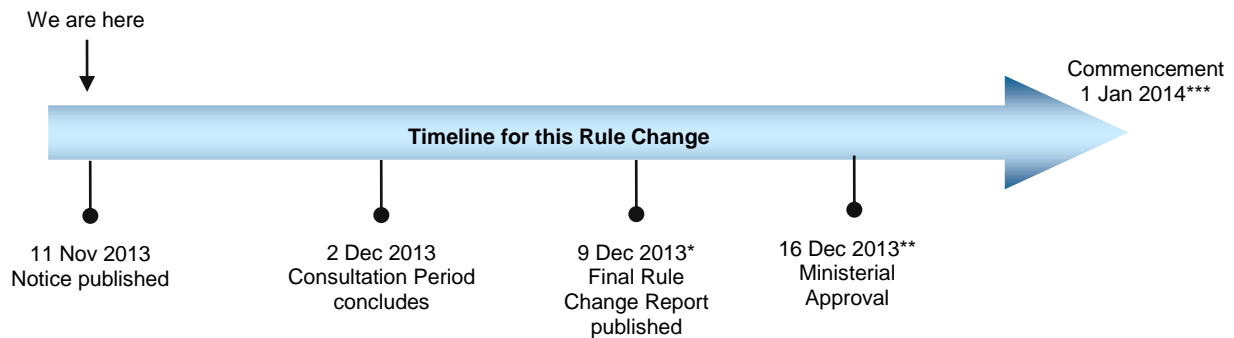
The IMO considers that the majority of the changes in this Rule Change Proposal are minor, administrative and procedural in nature and are required to preserve the clarity and consistency of the Market Rules. Additionally, the IMO considers that the remaining amendments discussed in the Rule Change Proposal, are only required to the extent that they will ensure that manifest errors in the Market Rules do not arise as an unintended consequence of the merger.

The changes do not seek to alter the current operation of the Market Rules, instead the proposed Amending Rules are designed to preserve the status quo to the extent possible, with respect to how

the Market Rules currently operate. As such, the IMO considers that the proposed amendments satisfy the criteria in clauses 2.5.9(a) and (b) of the Market Rules.

Timeline

The projected timelines for processing this proposal are:



* The date of publication of the Final Rule Change Report is provisional, as it is reliant on the Amendment Law gaining Royal Assent and being published in the Government Gazette.

** In accordance with clause 2.8.4 of the Market Rules, the Minister has 20 Business Days from receipt of the Final Rule Change Report to make a decision on the proposed Amending Rules. For the purposes of facilitating the merger by 1 January 2014, the IMO has determined a target date for Ministerial approval of 16 December 2013. This will allow the necessary administrative and operational processes to be undertaken to effect the merger from 1 January 2014.

*** The Rule Change Proposal contains Amending Rules that provide transitional provisions that will be commenced prior to 8:00 AM on 1 January 2014.

Call for Submissions

Any Rule Participant wishing to be consulted regarding this Rule Change Proposal is invited to notify the IMO within 5 Business Days of this notice being published (**18 November 2013**).

The consultation period is 15 Business Days from the publication date of this Rule Change Notice. Submissions must be delivered to the IMO by **5.00pm** on **Monday, 2 December 2013**.

The IMO prefers to receive submissions by email (using the submission form available on the Market Web Site: <http://www.imowa.com.au/rule-changes>) to: market.development@imowa.com.au.

Submissions may also be sent to the IMO by fax or post, addressed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, PERTH, WA 6850
Fax: (08) 9254 4399



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Wholesale Electricity Market Rule Change Proposal

Rule Change Proposal ID: RC_2013_18
Date received: 11 November 2013

Change requested by:

Name:	Simon Middleton Project Director - Merger Implementation Project (Synergy and Verve Energy) Western Australia Department of Finance
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Address:	3rd Floor, Dumas House, 2 Havelock Street, WEST PERTH
Date submitted:	Monday, 11 November 2013
Urgency:	3 - High
Change Proposal title:	Market Rule changes arising due to the merger of the Electricity Retail Corporation and Electricity Generation Corporation
Market Rule(s) affected:	Table of Contents/Headings – 1.11 (new), 6.16B, 7.6A, 7A.4, 7B.4, Constrained On Verve Energy Balancing Portfolio Quantities and Prices, Constrained Off Verve Energy Balancing Portfolio Quantities and Prices. Clauses – 1.10.2, 1.10.3, 1.11 (new), 2.2.2, 2.3.5, 2.16.7, 3.11.7A, 3.11.8, 3.13.3A, 3.13.3AB, 4.12.1, 4.14.4, 4.14.5, 4.23A.2, 4.26.2, 6.5.1, 6.5.1A, 6.5.4, 6.5C.1, 6.11.1, 6.11.3, 6.12.1, 6.15.1, 6.15.2, 6.16B.1, 6.16B.2, 6.17.1, 6.17.5, 6.17.5A, 6.17.5B, 6.17.9, 6.17.10, 6.21.2, 7.5.4, 7.6.2, 7.6.2A, 7.6.12, 7.6A.1, 7.6A.2, 7.6A.3, 7.6A.4, 7.6A.5, 7.6A.6, 7.6A.7, 7.6A.8, 7.7.1, 7.10.7, 7.11.5, 7.12.1, 7.13.1, 7.13.1A, 7.13.1C, 7A.1.14, 7A.2.1, 7A.2.2, 7A.2.3, 7A.2.9, 7A.2.10, 7A.2.12, 7A.3.1, 7A.3.5, 7A.4.1, 7A.4.2, 7A.4.4, 7A.4.5, 7A.4.6, 7A.4.8, 7A.4.9, 7B.2.1, 7B.2.2, 7B.2.3, 7B.2.4, 7B.2.5, 7B.2.6, 7B.3.7, 7B.4.1, 7B.4.2, 9.8.1, 9.9.1, 9.9.2, 9.18.3, 10.5.1 and 10.8.2. Glossary terms - Backup Downwards LFAS Price, Backup Upwards LFAS Price, Balancing Facility, Balancing Market, Balancing Portfolio (new), Balancing Portfolio Supply Curve, Balancing Price-Quantity Pair, Balancing Submission, Dispatch Order, Dispatch Plan, Downwards LFAS Backup Enablement, Downwards LFAS Enablement, LFAS Facility, LFAS Submission, Load Rejection Reserve Event, Loss Factor, Non-Balancing Dispatch Merit Order, Operating Instruction, Portfolio Loss Factor, Portfolio Ramp Rate Limit, Sent Out Capacity, Spinning Reserve Event, Stand Alone Facility, Synergy, Upwards LFAS Backup Enablement, Upwards LFAS Enablement, Verve Energy,





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	Verve Energy Balancing Portfolio. Appendices - Appendix 1 (items (h) and (i)), Appendix 2 and Appendix 9 (step 3).
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Introduction

Market Rule 2.5.1 of the Wholesale Electricity Market Rules provides that any person (including the IMO) may make a Rule Change Proposal by completing a Rule Change Proposal Form that must be submitted to the Independent Market Operator.

This Change Proposal can be posted, faxed or emailed to:

Independent Market Operator

Attn: Group Manager, Development and Capacity
PO Box 7096
Cloisters Square, Perth, WA 6850
Fax: (08) 9254 4339
Email: market.development@imowa.com.au

The Independent Market Operator will assess the proposal and, within 5 Business Days of receiving this Rule Change Proposal form, will notify you whether the Rule Change Proposal will be further progressed.

In order for the proposal to be progressed, all fields below must be completed and the change proposal must explain how it will enable the Market Rules to better contribute to the achievement of the wholesale electricity market objectives.

The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

Details of the Proposed Rule Change

1. Describe the concern with the existing Market Rules that is to be addressed by the proposed Market Rule change:

Background to this Rule Change Proposal

On 10 April 2013, the Western Australia Government announced a merger of the state owned entities, Electricity Retail Corporation ABN 71 743 446 839 currently trading as Synergy and Electricity Generation Corporation ABN 58 673 830 106 currently trading as Verve Energy (the “**Merger**”). The Merger is designed to achieve cost savings in corporate overheads, energy portfolio optimisation, fuel procurement, transport and storage, whilst ensuring that there will be no adverse impact on reliability and security of supply of electricity and that private sector investment is sustained into the future.

The Merger Implementation Group (“**MIG**”) was established to coordinate the implementation of the Merger. The submitter of this Rule Change Proposal has been appointed by the MIG to manage the implementation process.

In light of the Merger, the Electricity Corporations Amendment Bill 2013 (“**Amendment Law**”) was laid before the Western Australia Parliament on 16 October 2013. The principal purpose of the Amendment Law is to amend the Electricity Corporations Act 2005 and other Acts to effect the Merger.

Royal Assent for the Amendment Law is expected to be received in early December, and it is intended that the Merger will take effect on 1 January 2014 (the “**Merger Time**”). Relevantly, the Amendment Law contemplates that, with effect from the Merger Time:

- (i) all of the assets, rights and liabilities of Synergy will vest in Verve Energy (as the

- continuing corporation);
- (ii) Synergy will cease to exist as an electricity corporation;
- (iii) Verve Energy's corporate name will be changed to "Electricity Generation and Retail Corporation"; and
- (iv) Verve Energy's trading name will change to "Synergy".

It should be noted that, because the amendments noted above are implemented by the operation of the Amendment Law, changing the Market Rules to reflect these amendments is not strictly required for the Market Rules to continue to operate. However, to ensure that the clarity and consistency of the Market Rules is preserved, and in order to avoid manifest errors arising as an unintended consequence of the Merger, the MIG has proposed the procedural and administrative changes set out in this Rule Change Proposal.

It should also be noted that this Rule Change Proposal contemplates only the minimum changes necessary to preserve the integrity, clarity and consistency of the Market Rules from the Merger Time and is not intended to alter the current operation of the Market Rules.

For simplicity, in this Rule Change Proposal:

- (i) Verve Energy, as it exists prior to the Merger Time, is referred to as "**Verve Energy**" and, as it exists from the Merger Time, as "**MergeCo**";
- (ii) capitalised terms used but not defined have the meanings given in the Market Rules; and
- (iii) clause references are references to clauses in the Market Rules.

Issue 1: The definition of "Synergy" in chapter 11 will refer to an entity (ie the Electricity Retail Corporation) that will cease to exist from the Merger Time

The definition of "Synergy" in chapter 11 currently refers to the Electricity Retail Corporation (which will cease to exist from the Merger Time) and the definition of "Verve Energy" in chapter 11 currently refers to the Electricity Generation Corporation (which will be renamed the "Electricity Generation and Retail Corporation").

Given that, from the Merger Time, the Electricity Retail Corporation will cease to exist and Verve Energy's trading name will change to "Synergy":

- (i) the definition of "Synergy" in chapter 11 of the Market Rules should be updated to reflect the Amendment Law by referring to the body corporate established under section 4(1)(a) of the Electricity Corporations Act (ie the Electricity Generation and Retail Corporation); and
- (ii) the definition of "Verve Energy" in chapter 11 of the Market Rules should be deleted as it will be redundant as it refers to an entity that will no longer exist.

These changes are procedural in nature and necessary to align the Market Rules to the governing legislation at the Merger Time. The proposed Amending Rules will ensure that Rule Participants understand the effect of the Merger with respect to the structure of MergeCo as a Market Participant.

Issue 2: The Market Rules will contain a number of references to “Verve Energy” that should be changed to “Synergy” from the Merger Time

Given Verve Energy’s trading name will change to “Synergy” from the Merger Time, references to “Verve Energy” will be redundant. It is necessary for these redundant references to be removed from the Market Rules. The majority of the references to the entity “Verve Energy” will be able to be replaced with references to “Synergy”.

Without these administrative changes to reflect the new entity, new and existing Rule Participants will be required to interpret the Market Rules based on the changes made in the Amendment Law. This will cause unnecessary ambiguity with respect to the obligations on Rule Participants and is inefficient to continue in the medium to long term.

Issue 3: The Market Rules will contain a number of references to “Verve Energy” that should be deleted from the Merger Time

There are a number of references to “Verve Energy” that are more appropriate to delete, rather than replace. The proposed Amending Rules will delete references to “Verve Energy” in the following instances:

- (i) Clause 2.16.7(c) provides the Economic Regulation Authority (“**ERA**”) with the ability to collect information on the terms of the Bilateral Contracts entered into by Verve Energy and Synergy. Given that these entities together will be referred to as Synergy from the Merger Time, the reference to Verve Energy should be deleted to remove the ambiguity that may result.
- (ii) Clause 6.12.1 provides the details of the Non-Balancing Dispatch Merit Order (“**NBDMO**”). Currently, the clause provides an exception for Verve Energy Facilities. This has the effect of not allowing any Verve Energy Facilities to be dispatched under the NBDMO. Replacing “Verve Energy” with “Synergy” in this instance would exclude all of MergeCo’s DSPs and potential Dispatchable Loads from the NBDMO. Without the removal of the exception in clause 6.12.1, these Facilities would not be able to be dispatched.
- (iii) Item (h)(vi) of Appendix 1 outlines the Standing Data required to be provided by Rule Participants in regard to Demand Side Programmes (DSP). Currently there is an exemption for Verve Energy from providing this data on the basis that Verve Energy, as a Market Generator, has not had registered DSP Facilities. At the Merger Time, MergeCo will have registered DSP Facilities and therefore, to ensure that Standing Data is provided for Synergy’s DSP Facilities, the reference to Verve Energy is proposed to be deleted rather than replaced.
- (iv) Similarly, item (i)(xA) of Appendix 1 outlines the Standing Data required to be provided by Rule Participants in regard to Dispatchable Loads. Currently there is an exemption for Verve Energy from providing this data on the basis that Verve Energy, as a Market Generator, has not had registered Dispatchable Loads. At the Merger Time, MergeCo may register a Dispatchable Load and therefore, to ensure that Standing Data is provided for any Dispatchable Load that MergeCo may acquire, the reference to Verve Energy is proposed to be deleted rather than replaced.
- (v) References to the “Verve Energy Balancing Portfolio” require amending. Given the definition is proposed to be amended to refer to specific Facilities of Synergy, the reference to Synergy would be superfluous and it is therefore proposed that “Verve Energy” is deleted and not replaced. It should be noted that this change

will also require re-ordering the glossary.

Issue 4: The current drafting of the definition of the Balancing Portfolio is such that it would inadvertently include Synergy's DSPs, Interruptible Loads and Dispatchable Loads from the Merger Time

The current definition of the Balancing Portfolio is drafted to contain all of the Registered Facilities of Verve Energy other than Stand Alone Facilities.

Currently, the Balancing Portfolio contains only Verve Energy's registered generation Facilities. When the definition of the Balancing Portfolio was drafted, it was not contemplated that Verve Energy would register any Facilities other than generation Facilities. Therefore, the definition of the Balancing Portfolio was drafted broadly.

From the Merger Time, Synergy's DSPs, Interruptible Load and potential Dispatchable Loads will vest in Verve Energy as the continuing entity. Without a change to the definition of the Balancing Portfolio, Synergy's DSPs and Interruptible Load will be considered part of the Balancing Portfolio. This would result in a manifest error, as these Facilities are not Balancing Facilities and can only be dispatched under the NBDMO.

The proposed Amending Rules will change the definition of the Balancing Portfolio to account for MergeCo's Registered Facilities other than Stand Alone Facilities, DSPs, Dispatchable Loads and Interruptible Loads.

It should be noted that the definition of the NBDMO will also be amended to ensure that these Facilities can continue to be dispatched by System Management.

In order for these Amending Rules to be effective and therefore MergeCo's Non-Balancing Facilities to be able to be dispatched and MergeCo to continue to be compliant with the Market Rules, the revised definition of the Balancing Portfolio will need to be commenced to apply for the period from the Merger Time (midnight on 1 January 2014) to the beginning of the Trading Day on which MergeCo comes into existence (8:00AM on 1 January 2014). It is therefore proposed that the definition of the Balancing Portfolio is commenced on or before 31 December as per the proposed transitional provision in new clause 1.11.

Issue 5: The current drafting with respect to the operation of the NBDMO is such that Synergy's DSPs and potential Dispatchable Loads would be excluded from the Merger Time

The definition of the "Non-Balancing Dispatch Merit Order" and associated clause 6.12.1 are currently drafted to exclude Facilities registered to Verve Energy from being dispatched under the NBDMO. When the definition of the NBDMO and clause 6.12.1 were drafted, it was not contemplated that Verve Energy would register any Facilities required to be dispatched under the NBDMO.

From the Merger Time, Synergy's DSPs will vest in Verve Energy as the continuing entity. Without the removal of the exclusion for MergeCo in the definition of the NBDMO and clause 6.12.1, Synergy's DSPs and any potential Dispatchable Load will not be able to be dispatched by System Management. This would result in a manifest error and would be inefficient in the long term as these Facilities would be paid to make this capacity available but never able to be dispatched.

Further, it is understood that the current inclusion of Scheduled Generators in the definition of the NBDMO is a manifest error that should be corrected in the proposed Amending Rules.

In order for these Amending Rules to be effective and therefore MergeCo's Non-Balancing

Facilities to be able to be dispatched and MergeCo to continue to be compliant with the Market Rules, this clause will need to be commenced to apply for the period from the Merger Time (midnight on 1 January 2014) to the beginning of the Trading Day on which MergeCo comes into existence (8:00AM on 1 January 2014). It is therefore proposed that the definition of the NBDMO is commenced on or before 31 December as per the proposed transitional provision in new clause 1.11, and that clause 6.12.1 is commenced in line with that timing also.

Issue 6: The Market Rules will contain a number of references to Verve Energy's Registered Facilities that should be amended to ensure the correct Facilities are referred to from the Merger Time

Ancillary Services

Clauses 3.13.3A and 3.13.3AB outline the factors the ERA must take into account when determining values for the parameters "Margin_Peak" and "Margin_Off-Peak" in order to determine payments for Ancillary Services.

In order for the ERA to determine these values, the IMO must submit a proposal for the Financial Year to the ERA taking account of, among other things, the loss in efficiency of "Verve Energy Registered Facilities" that System Management has scheduled to provide Spinning Reserve Services during Peak Trading Intervals and Off-Peak Trading Intervals.

The Market Rules currently only contemplate Spinning Reserve Services being provided by Verve Energy. Currently, the use of the term "Verve Energy Registered Facilities" in the context of the provision of Spinning Reserve Services is appropriate as Verve Energy only has Scheduled Generators and Non-Scheduled Generators.

Similarly, for the provision of Load Following Services, the Market Rules refer to "Registered Facilities of Verve Energy". Currently, in the context of the provision of LFAS, this reference is appropriate.

Specifically, clause 7B.3.7 provides that, in the event the IMO is unable to publish an LFAS Merit Order for a Trading Interval, System Management must use the "Registered Facilities of Verve Energy" to provide LFAS for that Trading Interval. The definitions of "Downwards LFAS Backup Enablement" and "Upwards LFAS Backup Enablement" also refer to the capacity of a "Registered Facility of Verve Energy" which System Management activates to provide backup LFAS.

From the Merger Time, Synergy's DSPs and Interruptible Load will vest in Verve Energy as the continuing entity. This will effectively broaden the meaning of Verve Energy Registered Facilities in these clauses to include these Facilities.

In order to maintain the current interpretation of the Market Rules that:

1. Spinning Reserve Services for the purposes of clauses 3.13.3A and 3.13.3AB, as currently structured in the context of Verve Energy's Registered Facilities, are to be provided from Scheduled Generators. The proposed Amending Rules clarify that this will continue to be the case from the Merger Time even though MergeCo will be vested with an Interruptible Load and have the capability to register Dispatchable Loads, both Facility types being eligible to provide Spinning Reserve Services as contemplated under clause 3.9.2. It is therefore proposed that these clauses are amended from "Verve Energy Registered Facilities" to "Synergy's Scheduled Generators".

2. Load Following Services for the purposes of clause 7B.3.7 are only to be provided by Scheduled Generators and Non-Scheduled Generators, the proposed Amending Rules clarify that these clauses apply only to MergeCo's generation Facilities. It is therefore proposed that these clauses are amended from "Registered Facilities of Verve Energy" to "Synergy's LFAS Facilities".

The proposed Amending Rules are consistent with the definitions of Ancillary Services under clauses 3.9.1 and 3.9.2 and will ensure that only the minimum changes necessary are made to preserve the integrity, clarity and consistency of the Market Rules from the Merger Time and that no unintended alteration of the current operation of the Market Rules arises.

Stand Alone Facilities

The term "Stand Alone Facility" is currently defined in the Market Rules to mean "a Facility that is accepted by the IMO under clause 7A.4 as a stand alone facility". Clause 7A.4.1 provides that Verve Energy may "nominate one of its Registered Facilities" to be trialed as a Stand Alone Facility.

These provisions are intended to allow Verve Energy to nominate a Scheduled Generator or a Non-Scheduled Generator to be trialed as a Stand Alone Facility. This drafting is currently adequate because Verve Energy only has Scheduled Generators and Non-Scheduled Generators and, therefore, it is not necessary to specify which types of Facilities it may nominate.

From the Merger Time, Synergy's DSPs and Interruptible Load will vest in Verve Energy as the continuing entity. Without a change to the definition of "Stand Alone Facility", Synergy's DSPs and Interruptible Load could inadvertently be included in the group of Facilities that can be trialed as Stand Alone Facilities.

In order to preserve the status quo at the Merger Time, the reference to "Registered Facilities" should be changed to Scheduled Generator or Non-Scheduled Generator in the definition of "Stand Alone Facility" and clause 7A.4.1. Without these amendments, the intent of the Market Rules with respect to Stand Alone Facilities would change.

Issue 7: The current drafting of clause 4.12.1 is such that quantities derived from Synergy's Interruptible Loads and Demand Side Programmes and the Load being supplied and consumed by MergeCo would inadvertently be excluded from the calculation of the Reserve Capacity Obligation of MergeCo from the Merger Time

Clause 4.12.1(b) outlines the components of Verve Energy's Reserve Capacity Obligations in each Trading Interval.

Currently clause 4.12.1(b) is drafted such that quantities derived from Interruptible Loads and Demand Side Programmes are not included in the calculation of Verve Energy's Reserve Capacity Obligation. This drafting is currently adequate because Verve Energy does not have Interruptible Loads and Demand Side Programmes. However, from the Merger Time, this drafting will operate such that that the Interruptible Loads and Demand Side Programmes of Synergy which vest in MergeCo will be excluded from the calculation of MergeCo's Reserve Capacity Obligation.

The proposed Amending Rules will introduce a new sub-clause 4.12.1(b)(i) to include Synergy's registered Interruptible Loads and Demand Side Programmes in order to bring MergeCo into line with the calculation of the Reserve Capacity Obligation of other Market Participants.

Additionally, to account for quantities that MergeCo will supply to itself, an amendment is required to sub-clause 4.12.1(b)(ii) to clarify that the quantities of energy that MergeCo supplies to itself are also included in the Reserve Capacity Obligation calculation via the Net Contract Position. Currently, under clause 6.9.13(a) the Net Contract Position for a Market Participant includes that Market Participant's Net Bilateral Position. Further, under clause 6.9.2(a) the Net Bilateral Position includes "the sum of the quantities of energy referred to in clauses 6.7.1(c)(i) and 6.7.1(c)(iii) for the Market Participant in all Bilateral Submissions for Trading Interval t".

Although, clauses 6.7.1(c)(i) and 6.7.1(c)(iii) are not explicit about including quantities of energy that a Market Participant supplies to itself, the IMO's systems have been designed to accept Bilateral Submissions that include this amount.

To avoid the inadvertent exclusion of energy supplied to itself post-Merger Time, it is considered that sub-clause 4.12.1(b)(ii) should be amended to explicitly state that this quantity is to be included.

Issue 8: The current drafting of clause 4.26.2(e) is such that quantities being supplied and consumed by MergeCo may inadvertently be excluded when calculating the Net STEM Shortfall of MergeCo from the Merger Time

Clause 4.26.2 of the Market Rules provides the calculation of the Net STEM Shortfall in Reserve Capacity supplied by each Market Participant holding Capacity Credits associated with a generation system. In determining the Net STEM shortfall, the clause outlines the calculation of CAPA which represents the available capacity for a Market Participant in a Trading Interval.

Clause 4.26.2(e) outlines the calculation of CAPA for Verve Energy. This calculation is based on the Reserve Capacity Obligation calculation outlined in clause 4.12.1(b). Similar to issue 7 with respect to the Reserve Capacity Obligation calculation, sub-clause 4.26.2(e)(ii) needs to be amended to clarify that the quantities of energy that MergeCo supplies to itself are also included in the Net Contract Position applicable in a Trading Interval.

By amending this sub-clause to explicitly include energy supplied to itself, the likelihood of underestimating MergeCo's available capacity in a Trading Interval is minimised, thereby resulting in the correct estimation of the Net STEM Shortfall. By correctly estimating the Net STEM Shortfall, MergeCo will not be inadvertently made liable for Capacity Cost refunds when its capacity is being supplied for its own consumption.

Issue 9: The current drafting of clause 2.3.5 is such that it is not clear whether MergeCo will have two members on the Market Advisory Committee or have a single member representing both Market Generators and Market Customers from the Merger Time

Clause 2.3.5 of the Market Rules provides the required composition of the Market Advisory Committee ("MAC"). Currently, there must be a member from Verve Energy representing Market Generators (clause 2.3.5(a)) and a member from Synergy representing Market Customers (clause 2.3.5(d)).

At the Merger Time, the single entity, MergeCo, will represent both Market Generators and Market Customers. For clarity, clause 2.3.5 of the Market Rules will need to be revised to remove the redundant reference to Verve Energy. However, the substitution of Verve Energy with Synergy will create ambiguity with respect to the interpretation of the clause because it would be unclear whether MergeCo would have a single member representing Market Generators and/or Market Customers, or two members.

For clarity, it is proposed that both the reference to Verve Energy and Synergy be removed and a separate sub-clause be inserted that provides for MergeCo to be represented on the MAC by one member only.

Issue 10: The current draft of clauses 9.18.3(c)(vi) and (vii) should be amended to clarify the obligations regarding the information to be set out in MergeCo's Non-STEM Settlement Statements

Clause 9.18.3 sets out the information which must be contained in a Non-STEM Settlement Statement. Currently, clause 9.18.3(c)(vi) requires that Verve Energy's Non-STEM Settlement Statement contains the total quantity of energy deemed to have been supplied by Verve Energy's Registered Facilities and clause 9.18.3(c)(vii) requires that Synergy's Non-STEM Settlement Statement contains Notional Wholesale Meter values.

From the Merger Time, these clauses will both apply to the single entity MergeCo. This will make it unclear about what information should be included in MergeCo's Non-STEM Settlement Statement. The proposed Amending Rules clarify the information necessary to include in MergeCo's Non-STEM Settlement Statement.

Further, clause 9.18.3(c)(v) has been amended to remove the redundant cross-reference to Notional Wholesale Meter values. According to the definition in the Glossary, Notional Wholesale Meter only applies to Synergy.

Issue 11: The current drafting of clause 6.5.4 is such that there would be a reduction in the extent to which this clause applies to MergeCo from the Merger Time

Clause 6.5.4 requires the IMO to prepare a default Resource Plan for a Market Participant if the IMO has not accepted that participant's Resource Plan Submission by the relevant closing time. Clauses 6.5.4(a) and (b) specify what values are to be included in the default Resource Plan.

Currently, clause 6.5.4(a) sets out those values to be included in a default Resource Plan for a "Market Participant other than Verve Energy" (currently, this includes Synergy). Clause 6.5.4(b) sets out those values to be included in a default Resource Plan covering Verve Energy's Stand Alone Facilities.

If the exclusion in clause 6.5.4(a) is not amended before the Merger Time, clause 6.5.4(a) would cease applying to MergeCo to the extent this clause currently applies to Synergy for its potential Dispatchable Loads. The proposed Amending Rules replace the exclusion that would apply to MergeCo from the Merger Time, in order to only relate to MergeCo's Stand Alone Facilities.

Issue 12: The current drafting of clause 7.6A.2(c) is such that this clause would inadvertently cease applying to amounts derived from Dispatchable Loads acquired by Synergy after the Merger Time

Clause 7.6A.2(c) sets out the Balancing Portfolio forecast energy data System Management must provide to Verve Energy on the relevant Scheduling Day.

Under clause 7.6A.2(c)(i)(1), System Management is required to determine the forecast energy data by reference to, among other things, the "Dispatchable Loads of other Market Participants" being Market Participants other than Verve Energy.

This drafting is currently adequate because the words, "other Market Participants" currently capture Synergy and, accordingly, its Dispatchable Loads.

However, from the Merger Time, the drafting of clause 7.6A.2(c)(i)(1) will be such that the reference to “other Market Participants” will not capture Dispatchable Loads of MergeCo.

Accordingly, the proposed Amending Rules ensure that MergeCo’s Dispatchable Loads are not excluded when determining the Balancing Portfolio forecast energy requirements.

2. Explain the reason for the degree of urgency:

Royal Assent for the Amending Law is expected to be received in early December and the Merger of Verve Energy and Synergy is expected to take effect from 1 January 2014.

Therefore, the Amending Rules will need to commence on 1 January 2014 to ensure the clarity and consistency of the Market Rules is preserved and no manifest errors arise after the Merger Time (other than the transitional rules in new clause 1.11 and the proposed changes to clause 6.12.1 which, as explained above, need to commence on or before 31 December 2013).

It is submitted that the proposed changes contained in this Rule Change Proposal meet the Fast Track Rule Change criteria set out in clauses 2.5.9(a) and (b) of the Market Rules as follows:

- (i) Consistent with clause 2.5.9(a), the majority of the proposed changes reflect the change in name of Verve Energy to Synergy and are therefore purely of a minor, administrative and procedural nature. These proposed changes are designed to preserve the clarity and consistency of the Market Rules.
- (ii) Consistent with clause 2.5.9(b), the proposed changes are required to ensure manifest errors in the Market Rules do not arise as an unintended consequence of the Merger. This includes the proposed changes to clauses 3.13.3A, 3.13.3AB, 4.12.1, 4.26.2, 6.5.4, 6.12.1, 7.6A.2(c)(1), 7.10.7, 7A.4.1, 7B.3.7 and the definitions of Balancing Portfolio, Downwards LFAS Backup Enablement, Non-Balancing Dispatch Merit Order, Stand Alone Facility, Synergy and Upwards LFAS Backup Enablement.
- (iii) Consistent with clauses 2.5.9(a) and (b), the proposed changes are designed to preserve the status quo to the extent possible with respect to how the Market Rules currently operate and do not change the intent of the Market Rules.

Accordingly, it is submitted that this Rule Change Proposal be progressed under the Fast Track Rule Change Process described in section 2.6 of the Market Rules.

As previously noted, because the Merger is implemented by the operation of statute (ie the Amendment Law), changing the Market Rules to reflect the Merger is not strictly required in order for the Market Rules to continue to operate.

However, finalising the Rule Change Proposal before the Merger Time will preserve the integrity and clarity of the Market Rules and prevent any unintended misalignments arising at the Merger Time between the text of the Market Rules and the reforms introduced by the Amendment Law.

3. Provide any proposed specific changes to particular Rules: (for clarity, please use the current wording of the Rules and place a ~~strikethrough~~ where

words are deleted and underline words added)

Please refer to Appendix 1 of this Rule Change Proposal.

4. Describe how the proposed Market Rule change would allow the Market Rules to better address the Wholesale Market Objectives:

The proposed amendments seek to preserve the clarity and consistency of the Market Rules and to ensure manifest errors in the Market Rules do not arise as an unintended consequence of the Merger. As such, it is submitted that the proposed changes are consistent with the Wholesale Market Objectives.

It is further submitted that, from the Merger Time, the proposed changes will allow the Market Rules, as a whole, to better address Wholesale Market Objectives (a), (b) and (d) than would otherwise be the case had the Market Rules remained unchanged.

If the proposed changes are not implemented by the Merger Time, the Amendment Law would inadvertently reduce the clarity and consistency of the Market Rules and, in some instances, cause manifest errors to arise. The consequences of these outcomes for the Wholesale Electricity Market are that the Market Rules will become more difficult to interpret and administer and, in some instances, not operate as intended.

These consequences would undermine Wholesale Market Objectives (a), (b) and (d) in the following ways:

- (i) Wholesale Market Objective (a) would be undermined because it would be economically inefficient, from an electricity production and supply perspective, if the Wholesale Electricity Market operated under Market Rules that contained the identified manifest errors. For example, MergeCo would potentially be liable for paying financial penalties in the form of Capacity Cost Refunds;
- (ii) Wholesale Market Objective (b) would be undermined because it would discourage the efficient entry of new competitors if the Wholesale Electricity Market operated under Market Rules that were not clear and consistent or that contained manifest errors; and
- (iii) Wholesale Market Objective (d) would be undermined because it would increase the long-term cost of supplying electricity if the Market Rules remain unchanged. For example, the Market would bear costs for ensuring availability of capacity which was unable to be dispatched.

Accordingly, it is submitted that the proposed changes will allow the Market Rules, as a whole, to better address Wholesale Market Objectives (a), (b) and (d) from the Merger Time.

5. Provide any identifiable costs and benefits of the change:

Costs

In addition to the administrative costs associated with implementing the proposed changes, the following potential costs have been identified:

- (i) costs associated with amendments to the IMO's market and settlements systems

to cater for MergeCo; and

- (ii) administrative costs for both the IMO and System Management associated with amending Market Procedures and Power System Operation Procedures as a consequence of this Rule Change Proposal; and
- (iii) costs associated with System and Process changes for the establishment of MergeCo.

Benefits

The benefits of the proposed changes are that they:

- (i) promote the economically efficient production and supply of electricity (which is consistent with Wholesale Market Objective (a));
- (ii) encourage the efficient entry of new competitors (which is consistent with Wholesale Market Objective (b));
- (iii) minimise the long-term cost of supplying electricity (which is consistent with Wholesale Market Objective (d)),

by ensuring the Wholesale Electricity Market is operating under Market Rules that are clear and consistent and that do not contain manifest errors, thus minimising the time, effort and cost required to interpret and administer such rules.

Appendix 1

The proposed Amending Rules are shown below with strikethroughs and underlines (~~deleted text~~, added text). The proposed Amending Rules are based on the Market Rules following the commencement of the Rule Change Proposal *RC_2013_07: Correction of Minor, Typographical and Manifest Errors* which will commence on 1 December 2013.

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7A.4. ~~Verve Energy~~Synergy - Stand Alone Facilities

7B.4. ~~Verve Energy~~Synergy - Back Up LFAS Provider

...

1.10.2. Before 8:00 AM on the Balancing Market Commencement Day, notwithstanding that the Pre-Amended Rules continue to apply, each Rule Participant must perform all obligations imposed on that Rule Participant under the Post-Amended Rules, in relation to the Balancing Market Commencement Day and subsequent Trading Days, that, if the Post-Amended Rules were in force, the Rule Participant would have been required to perform under the Post-Amended Rules. This includes but is not limited to obligations relating to:

...

(i) information in relation to the ~~Verve Energy~~-Balancing Portfolio under clause 7.6A.2;

...

1.10.3. On the Scheduling Day relating to the Trading Day that is also the Balancing Market Commencement Day set by the IMO under clause 7A.1.2, notwithstanding that the Pre-Amended Rules continue to apply, Rule Participants are not required to perform obligations under the following Pre-Amended Rules:

...

(h) Scheduling and Dispatch of ~~Verve Energy~~Synergy under clause 7.6A; and

...

...

1.11. Specific Transition Provisions – Electricity Generation and Retail Corporation

1.11.1. From 12:00AM until 8:00AM on 1 January 2014, notwithstanding the definitions of Verve Energy Balancing Portfolio and Non-Balancing Dispatch Merit Order in Chapter 11, the following definitions will apply for the purposes of these Market Rules:

Verve Energy Balancing Portfolio: Means all the Registered Facilities of the body corporate established by section 4(1)(a) of the Electricity Corporations Act, as renamed as the Electricity Generation and Retail Corporation under section 4(2A) of that Act, other than:

- (a) Stand Alone Facilities;
- (b) Demand Side Programmes;
- (c) Dispatchable Loads; and
- (d) Interruptible Loads.

Non-Balancing Dispatch Merit Order: An ordered list of Demand Side Programmes and Dispatchable Loads registered by Market Participants, as determined by the IMO in accordance with clause 6.12.1.

...

2.2.2. The other functions of System Management in relation to the Wholesale Electricity Market are:

- (a) to procure adequate Ancillary Services where ~~Verve Energy~~Synergy cannot meet the Ancillary Service Requirements;

...

2.3.5. Subject to clause 2.3.13, the Market Advisory Committee must comprise:

- (a) at least three and not more than four members representing Market Generators, ~~of whom one must represent Verve Energy;~~
- (b) one member representing Contestable Customers;
- (c) at least one and not more than two members representing Network Operators, of whom one must represent Western Power;
- (d) at least three and not more than four members representing Market Customers, ~~of whom one must represent Synergy;~~
- (e) one member nominated by the Minister to represent small-use consumers;
- (f) one member representing System Management;
- (g) one member representing the IMO; ~~and~~
- (h) one member representing Synergy; and
- (i) a chairperson, who must be a representative of the IMO.

...

2.16.7. Without limitation, additional information that can be collected by the Economic Regulation Authority includes:

- (a) cost data for ~~Verve Energy~~Synergy, including actual fuel costs by Trading Interval;

- (b) System Management's operational records, including SCADA records, of the level of utilisation and fuel related data for each of ~~Verve Energy's~~Synergy's Registered Facilities by Trading Interval; and
- (c) the terms of Bilateral Contracts entered into by ~~Verve Energy and~~ Synergy.

...

3.11.7A. ~~Verve Energy~~Synergy must make its capacity to provide Ancillary Services from its Facilities available to System Management to a standard sufficient to enable System Management to meet its obligations in accordance with these Market Rules.

3.11.8. System Management may enter into an Ancillary Service Contract with a Rule Participant other than ~~Verve Energy~~Synergy for Spinning Reserve Ancillary Services, where:

- (a) it does not consider that it can meet the Ancillary Service Requirements with ~~Verve Energy's~~Synergy's Registered Facilities; or
- (b) the Ancillary Service Contract provides a less expensive alternative to Ancillary Services provided by ~~Verve Energy's~~Synergy's Registered Facilities.

...

3.13.3A. Subject to clause 3.13.3AB, for each Financial Year, by 31 March prior to the start of that Financial Year, the Economic Regulation Authority must determine values for the parameters Margin_Peak and Margin_Off-Peak, taking into account the Wholesale Market Objectives and in accordance with the following:

- (a) by 30 November prior to the start of the Financial Year, the IMO must submit a proposal for the Financial Year to the Economic Regulation Authority:
 - i. for the reserve availability payment margin applying for Peak Trading Intervals, Margin_Peak, the IMO must take account of:
 - 1. the margin ~~Verve Energy~~Synergy could reasonably have been expected to earn on energy sales forgone due to the supply of Spinning Reserve Service during Peak Trading Intervals; and
 - 2. the loss in efficiency of ~~Verve Energy Registered Facilities~~Synergy's Scheduled Generators that System Management has scheduled to provide Spinning Reserve Service during Peak Trading Intervals that could reasonably be expected due to the scheduling of those reserves;
 - ii. for the reserve availability payment margin applying for Off-Peak Trading Intervals, Margin_Off-Peak, the IMO must take account of:

1. the margin ~~Verve Energy~~Synergy could reasonably have been expected to earn on energy sales forgone due to the supply of Spinning Reserve Service during Off-Peak Trading Intervals; and
2. the loss in efficiency of ~~Verve Energy Registered Facilities~~Synergy's Scheduled Generators that System Management has scheduled to provide Spinning Reserve Service during Off-Peak Trading Intervals that could reasonably be expected due to the scheduling of those reserves; and

...

3.13.3AB. During the period:

...

- (d) when determining a value for the parameter Margin_Peak under this clause 3.13.3AB the Economic Regulation Authority or the IMO, as applicable, must take account of
 - i. the margin ~~Verve Energy~~Synergy could reasonably have been expected to earn on energy sales foregone due to the supply of Spinning Reserve during Peak Trading Intervals; and
 - ii. the loss in efficiency of ~~Verve Energy Registered Facilities~~Synergy's Scheduled Generators that System Management has scheduled to provide Spinning Reserve during Peak Trading Intervals that could reasonably be expected due to the scheduling of those reserves; and
- (e) when determining a value for the parameter Margin_Off-Peak under this clause 3.13.3AB the Economic Regulation Authority or the IMO, as applicable, must take account of:
 - i. the margin ~~Verve Energy~~Synergy could reasonably have been expected to earn on energy sales foregone due to the supply of Spinning Reserve during Off-Peak Trading Intervals; and
 - ii. the loss in efficiency of ~~Verve Energy Registered Facilities~~Synergy's Scheduled Generators that System Management has scheduled to provide Spinning Reserve during Off-Peak Trading Intervals that could reasonably be expected due to the scheduling of those reserves.

...

4.12.1. The Reserve Capacity Obligations of a Market Participant holding Capacity Credits, are as follows:

- (a) a Market Participant (other than ~~Verve Energy~~Synergy) must ensure that for each Trading Interval:

...

- (b) ~~Verve Energy~~Synergy must ensure that for each Trading Interval:
- i. ~~[Blank]~~the aggregate MW equivalent of the quantity of Capacity Credits held by Synergy applicable in that Trading Interval for Interruptible Loads and Demand Side Programmes registered to it; plus
 - ii. the MW quantity calculated by doubling the total MWh quantity which ~~Verve Energy~~Synergy is ~~selling~~supplying to itself or other Market Participants as indicated by the applicable Net Contract Position of ~~Verve Energy~~Synergy, corrected for loss factor adjustments so as to be a sent out quantity; plus
 - iii. the MW quantity calculated by doubling the total MWh quantity covered by STEM Offers which were not scheduled and the STEM Bids which were scheduled in the relevant STEM Auction determined by the IMO for ~~Verve Energy~~Synergy under clause 6.9 for that Trading Interval, corrected for loss factor adjustments so as to be a sent out quantity; plus
 - iv. capacity expected to experience a Forced Outage at the time that STEM submissions were due which becomes available in real time, is not less than the total Reserve Capacity Obligation Quantity for ~~Verve Energy~~Synergy for that Trading Interval, less double the total MWh quantity to be provided as Ancillary Services as specified by the IMO for ~~Verve Energy~~Synergy in accordance with clause 6.3A.2(e)(i).

4.14.4. The value specified by ~~Verve Energy~~Synergy in accordance with clause 4.14.1(c) must be not less than:

- (a) the lesser of:
- i. the total Certified Reserve Capacity held by ~~Verve Energy~~Synergy; and
 - ii. ~~Verve Energy's~~Synergy's peak load, as determined in accordance with clause 4.14.5 multiplied by an amount equal to:

...

4.14.5. For the purpose of clause 4.14.4, ~~Verve Energy's~~Synergy's peak load is calculated by doubling the average of ~~Verve Energy's~~Synergy's supply quantities (expressed in MWh) specified in the Bilateral Submissions that applied during the 12 peak Trading Intervals, as specified in Appendix 5, of the previous Hot Season. Prior to the completion of the first Hot Season following Energy Market Commencement this value will be determined by the IMO and provided to ~~Verve~~

~~EnergySynergy~~ not less than 20 Business Days prior to the date specified in clause 4.1.14.

...

4.23A.2. In performing the allocations described in clause 4.23A.1, the IMO must:

- (a) ensure that the total Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities of the Registered Facilities equal, respectively, the Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities that were associated with Western Power Corporation's generation systems in accordance with clauses 4.11, 4.12, and 4.20;
- (b) where facilities will not be registered as being ~~Verve EnergySynergy~~ facilities as at Energy Market Commencement, allocate Certified Reserve Capacity, Capacity Credits and Reserve Capacity Obligation Quantities to the Market Participant to whom those facilities are to be registered; and
- (c) consult with Western Power Corporation or ~~Verve EnergySynergy~~ (as applicable) and give consideration to Western Power Corporation or ~~Verve EnergySynergy~~ (as applicable) preferences as to how clause 4.23A.1 should be implemented.

...

4.26.2. The IMO must determine the net STEM shortfall ("Net STEM Shortfall") in Reserve Capacity supplied by each Market Participant p holding Capacity Credits associated with a generation system in each Trading Interval t of Trading Day d and Trading Month m as:

...

- (d) subject to clause 4.26.2(c), for the case where Market Participant p is not ~~Verve EnergySynergy~~, the sum of:

...

- (e) subject to clause 4.26.2(c), for the case where Market Participant p is ~~Verve EnergySynergy~~, the sum of:

...

- ii. the MW quantity calculated by doubling the total MWh quantity of energy that Synergy is supplying to itself or other Market Participants as indicated by the Net Contract Position quantity of that Market Participant for Trading Interval t, corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus

...

- iv. double the total MWh quantity to be provided as Ancillary Services as specified by the IMO in accordance with clause 6.3A.2(e)(i) for ~~Verve Energy~~Synergy corrected for Loss Factor adjustments so as to be a sent out quantity in accordance with clause 4.26.2A; plus

...

6.5.1. Market Participants, including ~~Verve Energy~~Synergy but only in respect of its Stand Alone Facilities, may submit Resource Plan Submission data for a Trading Day to the IMO between:

...

6.5.1A. Market Generators with Registered Facilities, including ~~Verve Energy~~Synergy but only in respect of its Stand Alone Facilities, that are not undergoing a Commissioning Test or Market Customers with Dispatchable Loads, must provide the IMO with a Resource Plan Submission by:

...

6.5.4. If the IMO has not accepted a Resource Plan Submission for a Trading Day by the closing time specified in clause 6.5.1(b) from a Market Participant that is required to make a Resource Plan Submission, then the IMO must prepare a default Resource Plan for that Market Participant which must include, for each Trading Interval on the Trading Day:

- (a) in respect of a Market Participant (other than ~~Verve Energy~~Synergy in relation to its Stand Alone Facilities):
 - i. all the Market Participant's Scheduled Generators and Non-Scheduled Generators having a scheduled output of zero;
 - ii. all Dispatchable Loads having a scheduled consumption of zero; and
 - iii. the level of the supply shortfall required pursuant to clause 6.11.1(e) equal to the total Net Contract Position; or
- (b) in respect of all of ~~Verve Energy's~~Synergy's Stand Alone Facilities, having a scheduled output of zero.

...

6.5C.1. All references to a Market Participant in this clause 6.5C include ~~Verve Energy~~Synergy, but only in respect of its Stand Alone Facilities.

...

6.11.1. A Market Participant submitting Resource Plan Submission data or Standing Resource Plan Submission data must ensure the submission is made in the form and manner prescribed and published by the IMO and include in the submission:

...

- (e) other than for ~~Verve Energy~~Synergy, any shortfall in MWh for each Trading Interval between the net energy scheduled in the Resource Plan Submission and the Net Contract Position of the Market Participant.

6.11.3. A Market Participant, other than ~~Verve Energy~~Synergy, must ensure that either:

...

...

6.12.1.

- (a) By 1:30 PM on the Scheduling Day (or within 40 minutes of a closing time extended in accordance with clause 6.5.1(b)) the IMO must determine the Non-Balancing Dispatch Merit Orders identified in clauses 6.12.1(b) to 6.12.1(e). A Non-Balancing Dispatch Merit Order lists the order in which the Dispatchable Loads and Demand Side Programmes of Market Participants ~~other than Verve Energy~~ will be issued Dispatch Instructions by System Management under clause 7.6.1C(d) to increase or decrease consumption, as applicable.
- (b) A Non-Balancing Dispatch Merit Order for a decrease in consumption relative to the quantities included in the applicable Resource Plan (or the current operating level of a Facility not included in a Resource Plan) during Peak Trading Intervals. The IMO must take into account the following principles when determining this Non-Balancing Dispatch Merit Order:
 - i. this Non-Balancing Dispatch Merit Order must list all Demand Side Programmes and Dispatchable Loads registered by Market Participants ~~other than Verve Energy~~; and
 - ii. this Non-Balancing Dispatch Merit Order must be determined by ranking the Registered Facilities referred to in clause 6.12.1(b)(i) in increasing order of the Consumption Decrease Price for Peak Trading Intervals.
- (c) A Non-Balancing Dispatch Merit Order for an increase in consumption relative to the quantities included in the applicable Resource Plan during Peak Trading Intervals. The IMO must take into account the following principles when determining this Non-Balancing Dispatch Merit Order:
 - i. this Non-Balancing Dispatch Merit Order must list all Dispatchable Loads registered by Market Participants ~~other than Verve Energy~~;
 - ii. this Non-Balancing Dispatch Merit Order must be determined by ranking the Registered Facilities referred to in clause 6.12.1(c)(i) in increasing order of the Consumption Increase Price for Peak Trading Intervals;
- (d) A Non-Balancing Dispatch Merit Order for a decrease in consumption relative to quantities included in the applicable Resource Plan (or the current operating level of a Facility not included in a Resource Plan) during

Off-Peak Trading Intervals. The IMO must take into account the following principles when determining this Non-Balancing Dispatch Merit Order:

- i. this Non-Balancing Dispatch Merit Order must list all Demand Side Programmes and Dispatchable Loads registered by Market Participants ~~other than Verve Energy~~; and
- ii. this Non-Balancing Dispatch Merit Order must be determined by ranking the Registered Facilities referred to in clause 6.12.1(d)(i) in increasing order of the Consumption Decrease Price for Off-Peak Trading Intervals;

(e) A Non-Balancing Dispatch Merit Order for an increase in consumption relative to the quantities included in the applicable Resource Plan during Off-Peak Trading Intervals. The IMO must take into account the following principles when determining this Non-Balancing Dispatch Merit Order:

- i. this Non-Balancing Dispatch Merit Order must list all Dispatchable Loads registered by Market Participants ~~other than Verve Energy~~; and
- ii. this Non-Balancing Dispatch Merit Order must be determined by ranking the Registered Facilities referred to in clause 6.12.1(e)(i) in increasing order of the Consumption Increase Price for Off-Peak Trading Intervals.

...

6.15.1. The Maximum Theoretical Energy Schedule in a Trading Interval is:

...

(c) for the ~~Verve Energy~~ Balancing Portfolio:

- i. the maximum amount of sent out energy, in MWh, which could have been dispatched in the Trading Interval from Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve with an associated price less than or equal to the Balancing Price; plus
- ii. if the ~~Verve Energy~~ Balancing Portfolio's SOI Quantity is greater than the sum of the quantities in the Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve which have an associated price that is less than or equal to the Balancing Price, the minimum amount of sent out energy, in MWh, if any, which could have been dispatched in the Trading Interval from any of the Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve which have an associated price greater than the Balancing Price,

taking into account the Portfolio Ramp Rate Limit and the SOI Quantity.

6.15.2 The Minimum Theoretical Energy Schedule in a Trading Interval equals:

- (c) for the ~~Verve Energy~~ Balancing Portfolio, the amount which is the lesser of:
- i. the sum of:
 1. the maximum amount of sent out energy, in MWh, which could have been dispatched in the Trading Interval from Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve with an associated price less than the Balancing Price; plus
 2. if the ~~Verve Energy~~ Balancing Portfolio's SOI Quantity is greater than the sum of the quantities in the Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve which have an associated price that is less than the Balancing Price, the minimum amount of sent out energy, in MWh, if any, which could have been dispatched in the Trading Interval from any of the Balancing Price-Quantity Pairs within the Balancing Portfolio Supply Curve which have an associated price greater than or equal to the Balancing Price,

taking into account the Portfolio Ramp Rate Limit and SOI Quantity;
and
 - ii. where a Facility in the ~~Verve Energy~~ Balancing Portfolio is subject to an Outage, the maximum amount of sent out energy, in MWh, which could have been dispatched given the sum of the Available Capacity of Facilities in the ~~Verve Energy~~ Balancing Portfolio for that Trading Interval.

...

6.16B. ~~Verve Energy~~ Balancing Portfolio Out of Merit

- 6.16B.1. The Portfolio Upwards Out of Merit Generation in a Trading Interval for the ~~Verve Energy~~ Balancing Portfolio equals:
- (a) subject to clause 6.16B.1(b), the sum of any Sent Out Metered Schedules for Facilities in the ~~Verve Energy~~ Balancing Portfolio less the Maximum Theoretical Energy Schedule for the ~~Verve Energy~~ Balancing Portfolio; or
 - (b) zero if:
 - i. System Management has provided a report to the IMO under clause 7.10.7 and the IMO determines that ~~Verve Energy~~Synergy has not adequately or appropriately complied with a Dispatch Order in respect of the ~~Verve Energy~~ Balancing Portfolio; or
 - ii. the sum of any Sent Out Metered Schedules for Facilities in the ~~Verve Energy~~ Balancing Portfolio less the Maximum Theoretical Energy Schedule for the ~~Verve Energy~~ Balancing Portfolio is less than the sum of:

1. any increase in sent out energy due to a Network Control Service Contract which System Management instructed a Facility within the ~~Verve Energy~~ Balancing Portfolio to provide;
2. if Facilities within the ~~Verve Energy~~ Balancing Portfolio were instructed by System Management to provide LFAS, the sum of Upwards LFAS Enablement and Upwards LFAS Backup Enablement, both divided by two so that they are expressed in MWh;
3. if a Spinning Reserve Event has occurred, any Spinning Reserve Response Quantity; and
4. the Portfolio Settlement Tolerance.

6.16B.2. The Portfolio Downwards Out of Merit Generation in a Trading Interval for the ~~Verve Energy~~ Balancing Portfolio equals:

- (a) subject to clause 6.16B.2(b), the Minimum Theoretical Energy Schedule less the sum of any Sent Out Metered Schedules for Facilities in the ~~Verve Energy~~ Balancing Portfolio; or
- (b) zero if:
 - i. System Management has provided a report to the IMO under clause 7.10.7 and the IMO determines that ~~Verve Energy~~ Synergy has not adequately or appropriately complied with a Dispatch Order; or
 - ii. the Minimum Theoretical Energy Schedule of the ~~Verve Energy~~ Balancing Portfolio less the sum of any Sent Out Metered Schedules for Facilities in the ~~Verve Energy~~ Balancing Portfolio is less than the sum of:
 1. any reduction in sent out energy due to a Network Control Service Contract which System Management instructed a Facility within the ~~Verve Energy~~ Balancing Portfolio to provide;
 2. if Facilities within the ~~Verve Energy~~ Balancing Portfolio were instructed by System Management to provide LFAS, the sum of the Downwards LFAS Enablement plus the Downwards LFAS Backup Enablement, both divided by two so that they are expressed in MWh;
 3. if a Load Rejection Reserve Event has occurred, any Load Rejection Reserve Response Quantity; and
 4. the Portfolio Settlement Tolerance.

...

6.17.1. The IMO must determine for each Market Participant and each Trading Interval of each Trading Day:

...

- (e) Loss Factor adjusted Constrained On ~~Verve Energy~~ Balancing Portfolio Quantities and associated prices; and
- (f) Loss Factor adjusted Constrained Off ~~Verve Energy~~ Balancing Portfolio Quantities and associated prices,

in accordance with this clause 6.17.

Constrained On ~~Verve Energy~~ Balancing Portfolio Quantities and Prices

6.17.5. Subject to clause 6.17.5C, the IMO must attribute any Upwards Out of Merit Generation from the ~~Verve Energy~~ Balancing Portfolio in a Trading Interval as follows:

- (a) Portfolio Constrained On Quantity¹ (PConQ1) equals the lesser of:
 - i. the maximum energy less the minimum energy, if any, in MWh, which could have been dispatched from the Balancing Price-Quantity Pair N in the Balancing Portfolio Supply Curve with a price (Price N) higher than but closest to the Balancing Price, taking into account the actual ~~Verve Energy~~ Balancing Portfolio SOI Quantity and the Portfolio Ramp Rate Limit; and
 - ii. the Upwards Out of Merit Generation for the ~~Verve Energy~~ Balancing Portfolio;
- (b) Constrained On Compensation Price¹ (PConP1) equals the Price N identified in clause 6.17.5(a) less the Balancing Price;
- (c) If the Portfolio Upwards Out of Merit Generation exceeds PConQ1 and a Balancing Price-Quantity Pair exists in the Balancing Portfolio Supply Curve with a price higher than Price N, then:
 - i. additional Portfolio Constrained On Quantity² (PConQ2) equals the lesser of:
 - 1. the maximum energy less the minimum energy, if any, in MWh, which could have been dispatched from the Balancing Portfolio Supply Curve Balancing Price-Quantity Pair N+1 with a price (Price N+1) higher than but closest to the Price N, taking into account when the ~~Verve Energy~~ Balancing Portfolio MW level reached the top, or the bottom, as applicable, of Balancing Price-Quantity Pair N in the calculation in clause 6.17.5(a)(i) and the Portfolio Ramp Rate Limit; and
 - 2. the Portfolio Upwards Out of Merit Generation less PConQ1; and

- ii. Constrained On Compensation Price² (PConP²) equals the Price N+1 identified in clause 6.17.5(c)(i) less the Balancing Price;
- (d) The IMO must repeat the process set out in clause 6.17.5(c) to identify, from the next highest priced Balancing Price-Quantity Pair N+1, any PConQN+1 and PConPN+1 until all Upwards Out of Merit Generation has been attributed to Balancing Price-Quantity Pairs or, otherwise, until there are no remaining Balancing Price-Quantity Pairs in the Balancing Portfolio Supply Curve;
- (e) The Non-Qualifying Constrained On Generation for the ~~Verve Energy~~ Balancing Portfolio equals the sum, expressed in sent out MWh, of any increase in energy due to a Network Control Service Contract and of the following Ancillary Services (if any), which System Management instructed ~~Verve Energy~~ Synergy to provide from Facilities within the ~~Verve Energy~~ Balancing Portfolio:

...

Constrained Off ~~Verve Energy~~ Balancing Portfolio Quantities and Prices

6.17.5A. Subject to clause 6.17.5C, the IMO must attribute any Downwards Out of Merit Generation from the ~~Verve Energy~~ Balancing Portfolio in a Trading Interval as follows:

- (a) Constrained Off Portfolio Quantity¹ (PCoffQ¹) equals the lesser of:
 - i. the maximum energy less the minimum energy, if any, in MWh, which could have been dispatched down from Balancing Price-Quantity Pair N, with Price N, in the Balancing Portfolio Supply Curve, taking into account the Available Capacity of the ~~Verve Energy~~ Balancing Portfolio, the MW level at the start of the Trading Interval and the Portfolio Ramp Rate Limit, where N is determined from either of the following Balancing Price-Quantity Pairs or, if different, the one with the lower price:
- ...
- (c) If the Portfolio Downwards Out of Merit Generation (in MWh) exceeds PCoffQ¹ and a Balancing Price-Quantity Pair exists in the Balancing Portfolio Supply Curve with a price lower than Price N, then:
 - i. additional Constrained Off Portfolio Quantity² (PCoffQ²) equals the lesser of:
 - 1. the maximum energy less the minimum energy, if any, in MWh, which could have been dispatched down from the Balancing Portfolio Supply Curve Balancing Price-Quantity Pair N+1 with a price (Price N+1) lower than but closest to Price N, taking into account when the ~~Verve Energy~~ Balancing Portfolio MW level reached the bottom, or top, as applicable, of Balancing Price-Quantity Pair N in the

calculation in clause 6.17.5A(a)(i) and the Portfolio Ramp Rate Limit; and

...

- (e) The Non-Qualifying Constrained Off Generation for the ~~Verve Energy~~ Balancing Portfolio equals the sum, expressed in sent out MWh, of any reduction in sent out energy due to a Network Control Service Contract and of the following Ancillary Services (if any), which System Management instructed ~~Verve Energy~~Synergy to provide from Facilities in the ~~Verve Energy~~ Balancing Portfolio:

...

6.17.5B. Clauses 6.17.3, 6.17.3A, 6.17.4 and 6.17.4A do not apply to Facilities in the ~~Verve Energy~~ Balancing Portfolio.

...

6.17.9. The IMO must other than for Facilities in the ~~Verve Energy~~ Balancing Portfolio, determine a Settlement Tolerance for each Scheduled Generator, Non-Scheduled Generator and Dispatchable Load, where this Settlement Tolerance is equal to:

...

6.17.10. The Portfolio Settlement Tolerance equals the lesser of:

- (a) 3 MWh; and
- (b) 3% of the Sent Out Capacity of the ~~Verve Energy~~ Balancing Portfolio divided by two to be expressed as MWh.

...

6.21.2. The IMO must provide the following information to the settlement system for each Trading Interval in a Trading Day:

...

- iv. the ~~Verve Energy~~ Balancing Portfolio Loss Factor adjusted Constrained On Quantities and prices calculated in accordance with clause 6.17.5;
- v. the ~~Verve Energy~~ Balancing Portfolio Loss Factor adjusted Constrained Off Quantities and prices calculated in accordance with clause 6.17.5A; and
- vi. the Non-Balancing Facility Dispatch Instruction Payment.

...

7.5.4. Subject to clause 7.5.5, a Market Participant other than ~~Verve Energy~~Synergy may at any time between 1:30 PM on the Scheduling Day and 30 minutes prior to the commencement of the Trading Interval described in clause 7.5.4(b) notify

System Management that the Market Participant will change the fuel upon which a Scheduled Generator registered to it will operate on from a Liquid Fuel to a Non-Liquid Fuel, or vice versa, where the notification must include:

...

...

7.6.2. For the purposes of clauses 7.6.1 and 7.6.1C, the ~~Verve Energy~~-Balancing Portfolio is to be treated as a Balancing Facility but the dispatch of any Facility within the ~~Verve Energy~~-Balancing Portfolio is to be under the Dispatch Plan or a Dispatch Order in accordance with clause 7.6A, which is deemed to meet the requirements to issue a Dispatch Instruction in respect of the ~~Verve Energy~~ Balancing Portfolio.

7.6.2A. Where the Dispatch Criteria requires System Management to alter the Dispatch Plan of ~~Verve Energy~~Synergy, subject to the limitations imposed by this clause 7.6, System Management must employ reasonable endeavours to minimise the change in the Dispatch Plan and to have regard for the merit order of ~~Verve Energy~~Synergy Facilities in the ~~Verve Energy~~-Balancing Portfolio.

...

7.6.12. System Management may give a direction to a Market Participant (other than ~~Verve Energy~~Synergy) in respect of a Scheduled Generator or Non-Scheduled Generator registered by the Market Participant with regard to the reactive power output of that Facility in accordance with any power factor required under the Technical Rules applying to the relevant Network.

7.6A. Scheduling and Dispatch of the ~~Verve Energy~~-Balancing Portfolio and Stand Alone Facilities for certain Ancillary Services

7.6A.1. Subject to System Management's obligations under clause 7.6, this clause 7.6A describes the rules governing the relationship between System Management and ~~Verve Energy~~Synergy for the purpose of scheduling and dispatching the Stand Alone Facilities for Ancillary Services and for scheduling and dispatching Facilities in the ~~Verve Energy~~-Balancing Portfolio generally.

7.6A.2. With respect to the scheduling of Stand Alone Facilities for Ancillary Services and the scheduling of Facilities in the ~~Verve Energy~~-Balancing Portfolio generally:

- (a) at least once every month, ~~Verve Energy~~Synergy must provide to System Management the following information in regard to the subsequent month:
 - i. a plant schedule describing the merit order in which the Facilities in the ~~Verve Energy~~-Balancing Portfolio are to be called upon and any restrictions on the operations of such Facilities;
 - ii. a plan for which fuels will be used in each Facility in the ~~Verve Energy~~-Balancing Portfolio and guidance as to how that plan might be varied depending on circumstances;

- iii. a description as to how Ancillary Services are to be provided from Facilities in the ~~Verve Energy~~ Balancing Portfolio; and
- iv. a description as to how Ancillary Services are to be provided from the Stand Alone Facilities,

where the format and time resolution of this data is to be described in a procedure;

- (b) System Management must provide to ~~Verve Energy~~ Synergy by 8:30 AM on the Scheduling Day associated with a Trading Day a forecast of total system demand for the Trading Day where the format and time resolution of this data is to be described in a procedure;
- (c) System Management must provide to ~~Verve Energy~~ Synergy by 4:00 PM on the Scheduling Day associated with a Trading Day:
 - i. a forecast of the requirements for energy in the ~~Verve Energy~~ Balancing Portfolio, being a forecast of the whole of system energy requirement less:
 - 1. the aggregate energy of all Resource Plans associated with ~~the other Market Participants' Scheduled Generators and Dispatchable Loads, including Synergy's Dispatchable Loads of other Market Participants;~~ and
 - 2. the aggregate forecast output of other Market Participants' Non-Scheduled Generators, including the aggregate forecast output of any Non-Scheduled Generators which are Stand Alone Facilities, for the Trading Day;
 - ii. the Dispatch Plan for each Facility for the Trading Day; and
 - iii. a forecast of the detailed Ancillary Services required from each Facility in the ~~Verve Energy~~ Balancing Portfolio and Ancillary Services from each Stand Alone Facility,

where the format and time resolution of this data is to be described in a procedure;

- (d) System Management must consult with ~~Verve Energy~~ Synergy in developing the information described in clause 7.6A.2(c) and ~~Verve Energy~~ Synergy must provide System Management with any information required by System Management in accordance with a procedure to support the preparation of the information in clause 7.6A.2(c). In the event of any failure by ~~Verve Energy~~ Synergy to provide information required by System Management in a timely fashion then System Management may use its reasonable judgement to substitute its own information;
- (e) System Management must provide to the IMO by 4:00 PM on the Scheduling Day associated with a Trading Day the aggregate forecast output of all Non-Scheduled Generators for the Trading Day, referred to in clause 7.6A.2(c)(i)(2);

- (f) If after 4:00 PM on the Scheduling Day but prior to the start of a Trading Interval on the corresponding Trading Day, System Management becomes aware of a change in conditions which will require a significant change in the Dispatch Plan it may make such change but must notify ~~Verve Energy~~Synergy of such change; and
 - (g) ~~Verve Energy~~Synergy must notify System Management as soon as practicable if it becomes aware that it is unable to comply with a Dispatch Plan, providing reasons as to why it cannot comply.
- 7.6A.3. With respect to the dispatch of Stand Alone Facilities for the purposes of Ancillary Services other than LFAS but including LFAS Backup Enablement, and the dispatch of ~~Verve Energy~~ Facilities in the ~~Verve Energy~~ Balancing Portfolio generally, during a Trading Day:
- (a) System Management may issue an Operating Instruction for Stand Alone Facilities, and instruct Facilities in the ~~Verve Energy~~ Balancing Portfolio to deviate from the Dispatch Plan, or to change their commitment or output, in accordance with the Dispatch Criteria or in response to System Management's powers under a High Risk Operating State or an Emergency Operating State;
 - (b) System Management must provide adequate notice to ~~Verve Energy~~Synergy, based on Standing Data, before a Facility in the ~~Verve Energy~~ Balancing Portfolio is required to respond to an instruction given under clause 7.6A.3(a); and
 - (c) ~~Verve Energy~~Synergy must notify System Management as soon as practicable if ~~Verve Energy~~Synergy becomes aware that it is unable to comply with an instruction given under clause 7.6A.3(a).
- 7.6A.4. With respect to the dispatch compliance of ~~Verve Energy~~Synergy for Facilities in the ~~Verve Energy~~ Balancing Portfolio:
- (a) System Management may deem ~~Verve Energy~~Synergy to be in non-compliance for a Trading Interval if ~~Verve Energy~~Synergy fails to comply with the Dispatch Plan, its obligations to provide Ancillary Services, or an instruction given under clause 7.6A.3(a), to an extent that could endanger Power System Security;
 - (b) ~~i~~n determining whether or not to deem ~~Verve Energy~~Synergy to be in non-compliance, System Management must give due regard to any reasonable mitigating circumstances of which ~~Verve Energy~~Synergy has notified it in accordance with clause 7.6A.3(c);
 - (c) In determining whether or not to deem ~~Verve Energy~~Synergy to be in non-compliance, System Management may only consider a deviation by an individual ~~Verve Energy~~Synergy Facility from an output level specified in any instruction from System Management to be in non-compliance if the deviation at any time exceeds 10 MW; and

- (d) In the event that System Management deems ~~Verve Energy~~Synergy to be in non-compliance for a Trading Interval then System Management must determine a single MWh quantity describing the total non-compliance of ~~Verve Energy~~Synergy for that Trading Interval.
- 7.6A.5. With respect to administration and reporting:
- (a) Representatives of System Management and ~~Verve Energy~~Synergy must meet at least once per month to review the procedures operating under this clause 7.6A. The minutes of these meetings must be recorded by System Management;
 - (b) At the meetings described in clause 7.6A.5(a), System Management and ~~Verve Energy~~Synergy must use best endeavours to address any issues arising from the application of the procedures operating under this clause 7.6A. Where agreement cannot be reached either party may seek arbitration by the IMO;
 - (c) System Management must report to the IMO any instance where it believes that ~~Verve Energy~~Synergy has failed to meet its obligations under this clause 7.6A;
 - (d) ~~Verve Energy~~Synergy may report to the IMO any instance where it believes that System Management has failed to meet its obligations under this clause 7.6A;
 - (e) Upon request by the IMO, ~~Verve Energy~~Synergy and System Management must make available to the IMO records created because of the operation of this clause 7.6A and procedures required by this clause 7.6A.
- 7.6A.6. ~~Verve Energy~~Synergy and System Management must retain all records, including meeting minutes, created because of the operation of this clause 7.6A and procedures required by this clause 7.6A.
- 7.6A.7. Subject to clause 7.6A.8, System Management must document the procedures System Management and ~~Verve Energy~~Synergy must follow to comply with this clause 7.6A, including the process to follow in developing the confidential procedure described in clause 7.6A.8, in the Power System Operation Procedure, and System Management and ~~Verve Energy~~Synergy must follow that documented Market Procedure.
- 7.6A.8. Any procedure created or data exchanged in accordance with this clause 7.6A which is commercially sensitive information of ~~Verve Energy~~Synergy must not be included in the Power System Operation Procedure. Instead, such information must be included in a confidential procedure developed by System Management in consultation with ~~Verve Energy~~Synergy.
- ...
- 7.7.1. A Dispatch Instruction is an instruction issued by System Management to a Market Participant, other than ~~Verve Energy~~Synergy in respect of its ~~Verve Energy~~

Balancing Portfolio, directing that the Market Participant vary the output or consumption of one of its Registered Facilities.

...

7.10.7. Where System Management has issued a warning about a deviation to a Market Participant under clause 7.10.5(c) regarding a failure to comply with clause 7.10.1, System Management:

(a) unless the deviation is within the Tolerance Range or Facility Tolerance Range, must, in the time, form and manner prescribed in the IMS Interface Market Procedure, report the deviation to the IMO. System Management must include in the report:

...

iii. whether System Management issued instructions to ~~the~~ Synergy in respect of its Registered Facilities of Verve Energy or Registered Facilities covered by any Ancillary Service Contract or issued Dispatch Instructions or Operating Instructions to other Registered Facilities as a result of the failure; and

...

7.11.5. System Management must release a Dispatch Advisory in the event of, or in anticipation of situations where:

...

(g) System Management expects to issue a Dispatch Instruction Out of Merit including, for the purpose of this clause, issuing a Dispatch Order to the ~~Verve Energy~~ Balancing Portfolio in accordance with clause 7.6.2, which will result in Out of Merit dispatch of the ~~Verve~~ Balancing Portfolio;

...

...

7.12.1. System Management must provide a report to the IMO once every three months on the performance of the market with respect to the dispatch process. -This report must include details of:

...

(bA) the incidence and reasons for the issuance of Dispatch Instructions to Balancing Facilities Out of Merit, including for the purposes of this clause, issuing Dispatch Orders to the ~~Verve Energy~~ Balancing Portfolio in accordance with clause 7.6.2;

...

...

7.13.1. System Management must provide the IMO with the following data for a Trading Day by noon on the first Business Day following the day on which the Trading Day ends:

...

- (d) a description of the reasons for any failure of a ~~Verve Energy~~Synergy Facility to follow the scheduling and dispatch procedures relating to clause 7.6A;

...

7.13.1A. System Management must provide the IMO with the following data for a Trading Day by noon on the fifteenth Business Day following the day on which the Trading Day ends:

- (a) the MWh quantity of non-compliance by ~~Verve Energy~~Synergy by Trading Interval; and
- (b) the schedule of all Planned Outages, Forced Outages and Consequential Outages relating to each Trading Interval in the Trading Day by Market Participant and Facility.

...

7.13.1C. The IMO may request, and System Management must provide, within 10 Business Days of receipt of a request from the IMO:

...

- (d) a schedule of all instructions, including Dispatch Orders, provided to ~~Verve Energy's~~Synergy's Non-Scheduled Generators to deviate from the Dispatch Plan or change their commitment or output in accordance with clause 7.6A.3; and
- (e) an estimate of the decrease in the output (in MWh) of each of ~~Verve Energy's~~Synergy's Non-Scheduled Generators as a result of an instruction from System Management to deviate from the Dispatch Plan or change their commitment or output in accordance with clause 7.6A.3(a),

for each Trading Interval during the time period specified by the IMO in its request.

...

7A.1.14. For the purposes of this Chapter 7A only, unless otherwise indicated, the ~~Verve Energy~~ Balancing Portfolio is to be treated as a single Balancing Facility and references in this Chapter 7A to a Balancing Facility are to be read as including a reference to the ~~Verve Energy~~ Balancing Portfolio.

...

7A.2.1. A Market Participant must ensure that:

- (a) it has made a Balancing Submission in accordance with clause 7A.2.4 for each of its Balancing Facilities, excluding Facilities in the ~~Verve Energy~~ Balancing Portfolio;
- (b) it has made a Balancing Submission for all Trading Intervals in the Balancing Horizon for each of its Balancing Facilities; and
- (c) the Balancing Submission is made before Balancing Gate Closure or, in the case of the ~~Verve Energy~~ Balancing Portfolio, before the times specified in clause 7A.2.9(d), for those Trading Intervals.

7A.2.2. A Market Participant may submit a subsequent Balancing Submission in accordance with clause 7A.2.4 in respect of any of its Balancing Facilities, excluding Facilities in the ~~Verve Energy~~ Balancing Portfolio, and:

- (a) the Balancing Submission may be for one or more Trading Intervals in the Balancing Horizon; and
- (b) the Balancing Submission must be made before Balancing Gate Closure for any Trading Interval in the submission.

7A.2.3. A Market Participant with a Balancing Facility that is:

- (a) the subject of an Operating Instruction; or
- (b) undergoing a Test that has an approved Test Plan,

must ensure that the price in the Balancing Price-Quantity Pair for a Balancing Submission submitted under this clause 7A.2 is at the Minimum STEM Price for the quantity for each Trading Interval specified in the Operating Instruction or the Test Plan. The provisions of this clause 7A.2.3 do not apply to the ~~Verve Energy~~ Balancing Portfolio.

7A.2.9. ~~Verve Energy~~Synergy, in relation to the ~~Verve Energy~~ Balancing Portfolio:

- (a) must, subject to clauses 7A.2.9(e) and 7A.2.9(f), ensure that its Balancing Portfolio Supply Curve accurately reflects:
 - i. all information reasonably available to it, including Balancing Forecasts published by the IMO and the latest information available to it in relation to any Forced Outage for a Facility in the ~~Verve Energy~~ Balancing Portfolio;
 - ii. ~~Verve Energy's~~Synergy's reasonable expectation of the capability of its ~~Verve Energy~~ Balancing Portfolio to be dispatched in the Balancing Market for that Trading Interval; and
 - iii. the price at which ~~Verve Energy~~Synergy intends to have the ~~Verve Energy~~ Balancing Portfolio participate in Balancing;

...

- (e) may update its Balancing Portfolio Supply Curve in relation to any Trading Interval in the Balancing Horizon for which Balancing Gate Closure is more

than two hours in the future if a Facility in the ~~Verve Energy~~-Balancing Portfolio has experienced a Forced Outage since the last Balancing Submission; and

- (f) may after the time specified in clause 7A.2.9(d), update its Balancing Portfolio Supply Curve to reflect the impact of a Forced Outage which ~~Verve Energy~~Synergy expects will cause a Facility to run on Liquid Fuel, where the Facility would not have run on Liquid Fuel but for the Forced Outage, in order to meet ~~Verve Energy's~~Synergy's Balancing obligations in relation to the ~~Verve Energy~~-Balancing Portfolio under this Chapter 7A.

7A.2.10. A Market Participant (other than ~~Verve Energy~~Synergy in relation to the ~~Verve Energy~~-Balancing Portfolio) as soon as it becomes aware that a Balancing Submission for a Trading Interval for which Balancing Gate Closure has occurred is inaccurate:

...

...

7A.2.12. Where ~~Verve Energy~~Synergy has submitted an updated Balancing Portfolio Supply Curve in accordance with clauses 7A.2.9(e) or 7A.2.9(f) because of a Forced Outage of one of the Facilities in the ~~Verve Energy~~-Balancing Portfolio after the time specified in these clauses it must, as soon as reasonably practicable, provide the IMO with written details of:

- (a) the nature of the Forced Outage;
- (b) when the Forced Outage occurred;
- (c) the duration of the Forced Outage; and
- (d) information substantiating the commercial impact, if any, of the Forced Outage.

...

7A.3.1. The IMO must convert the prices for each Trading Interval in Balancing Price-Quantity Pairs in Balancing Submissions from Market Participants, other than ~~Verve Energy~~Synergy in respect of the ~~Verve Energy~~-Balancing Portfolio, into Loss Factor Adjusted Prices.

...

7A.3.5. A Market Participant, other than ~~Verve Energy~~Synergy in respect of the ~~Verve Energy~~-Balancing Portfolio, must make a new Balancing Submission within 30 minutes of the end of the Trading Interval in which the information is published under clause 7B.3.4(e) as follows:

...

...

7A.4. ~~Verve Energy~~Synergy – Stand Alone Facilities

7A.4.1. ~~Verve Energy~~Synergy may, at any time, nominate one of its Scheduled Generators or Non-Scheduled Generators~~Registered Facilities~~ to be trialled as a Stand Alone Facility by providing notice to the IMO in the prescribed form.

7A.4.2. Subject to clause 7A.4.3, the IMO must, as soon as reasonably practicable after receiving the information specified in clause 7A.4.1:

...

(e) notify ~~Verve Energy~~Synergy of the IMO's decision and, at the same time, notify the Market of any further time allowed under clause 7A.4.2(c).

7A.4.4. If the IMO notifies ~~Verve Energy~~Synergy that it accepts the nomination of the Stand Alone Facility for a trial, then:

(a) the IMO must notify ~~Verve Energy~~Synergy of the Trading Day from which the trial of the nominated Stand Alone Facility will commence;

(b) subject to clause 7A.4.4(d), ~~Verve Energy~~Synergy may trial the nominated Stand Alone Facility for a period of one month for the purposes of participating in the Balancing Market in accordance with this Chapter 7A;

(c) seven Business Days before the end of that month ~~Verve Energy~~Synergy must notify the IMO whether it wishes the nominated Stand Alone Facility to:

i. cease being a Stand Alone Facility and to form part of the ~~Verve Energy~~Balancing Portfolio; or

ii. permanently become a Stand Alone Facility; and

(d) the nominated Stand Alone Facility will be treated as a Stand Alone Facility until it becomes a permanent Stand Alone Facility under clause 7A.4.9 or the trial ceases under clause 7A.4.8.

7A.4.5. If ~~Verve Energy~~Synergy provides a notice under clause 7A.4.4(c)(i), then the IMO must notify ~~Verve Energy~~Synergy of the time and date from which the nominated Stand Alone Facility will cease to be treated as a Stand Alone Facility.

7A.4.6. If ~~Verve Energy~~Synergy provides a notice under clause 7A.4.4(c)(ii), then the IMO must:

...

(d) notify ~~Verve Energy~~Synergy of the IMO's decision and the reasons for that decision.

...

7A.4.8. If the IMO notifies ~~Verve Energy~~Synergy that the nominated Stand Alone Facility is not to permanently become a Stand Alone Facility the nominated Stand Alone

Facility will cease to be treated as a Stand Alone Facility from the time and date specified by the IMO in the notice to ~~Verve Energy~~Synergy.

- 7A.4.9. The nominated Stand Alone Facility permanently becomes a Stand Alone Facility if the IMO notifies ~~Verve Energy~~Synergy that it is to permanently become a Stand Alone Facility.

...

- 7B.2.1. A Market Participant may submit an LFAS Submission:

- (a) in accordance with clause 7B.2.7 in respect of any of its LFAS Facilities, other than the ~~Verve Energy~~ Balancing Portfolio;
- (b) for any or all Trading Intervals in the Balancing Horizon; and
- (c) before LFAS Gate Closure for those Trading Intervals.

- 7B.2.2. A Market Participant may submit a new, updated LFAS Submission:

- (a) in accordance with clause 7B.2.7 in respect of any of its LFAS Facilities, other than the ~~Verve Energy~~ Balancing Portfolio;
- (b) for one or more Trading Intervals in the Balancing Horizon; and
- (c) before LFAS Gate Closure for those Trading Intervals.

- 7B.2.3. Subject to clause 7B.2.5, ~~Verve Energy~~Synergy must immediately before 6:00 PM submit an LFAS Submission, for one or more Trading Intervals in the Balancing Horizon for which LFAS Gate Closure has not occurred, by submitting it to the IMO in accordance with clauses 7B.2.6 and 7B.2.7.

- 7B.2.4. Subject to clause 7B.2.5, ~~Verve Energy~~Synergy may submit or update an LFAS Submission, for one or more Trading Intervals in the Balancing Horizon for which LFAS Gate Closure has not occurred, by submitting it to the IMO:

- (a) in accordance with clauses 7B.2.5 and 7B.2.7; and
- (b) at the time it submits an updated Balancing Portfolio Supply Curve under clause 7A.2.9(d).

- 7B.2.5. ~~Verve Energy~~Synergy must ensure that, for each Trading Interval for which it has made LFAS Submissions under this Chapter 7B, the sum of the MW quantities contained in those LFAS Submissions equals at least the latest forecast LFAS Quantity for that Trading Interval published under clause 7B.3.15(b), if any.

- 7B.2.6. ~~Verve Energy~~Synergy, in its LFAS Submission for the ~~Verve Energy~~ Balancing Portfolio, must include a cost per MW for providing any Upwards LFAS Backup Enablement and for providing any Downwards LFAS Backup Enablement for each Trading Interval in the Balancing Horizon.

...

7B.3.7. Where the IMO is unable to publish an LFAS Merit Order for a Trading Interval in accordance with clause 7B.3.4(d), System Management must use ~~the Registered Synergy's LFAS Facilities of Verve Energy~~ to provide LFAS for that Trading Interval.

...

7B.4 ~~Verve Energy~~ Synergy – Back Up LFAS Provider

7B.4.1. Where:

- (a) an LFAS Facility has failed to provide all or part of its LFAS when called upon to do so by System Management in accordance with clause 7B.3.6 or 7B.3.8; or
- (b) the quantity of LFAS in a Trading Interval required by System Management is greater than the most recent LFAS Quantity published under clause (b) for that Trading Interval,

System Management may use the ~~Verve Energy~~ Balancing Portfolio or a Stand Alone Facility, to provide the LFAS Quantity Balance and/or the Increased LFAS Quantity, as applicable.

7B.4.2. Where System Management has used the ~~Verve Energy~~ Balancing Portfolio or a Stand Alone Facility to provide LFAS under clause 7B.3.7 or 7B.4.1 in a Trading Interval, System Management must, as soon as reasonably practicable, advise the IMO of the Facilities which provided the LFAS and the quantity, in MW, of LFAS which was provided by the Facility in the Trading Interval.

...

9.8.1. The Balancing settlement amount for Market Participant p for Trading Interval t of Trading Day d is:

$$\text{BSA}(p,d,t) = \text{Balancing Price}(d,t) \times \text{MBQ}(p,d,t) + \text{CONC}(p,d,t) + \text{COFFC}(p,d,t) + \text{DIP}(p,d,t).$$

Where:

MBQ(p,d,t) is the Metered Balancing Quantity for Market Participant p for Trading Interval t of Trading Day d calculated in accordance with clause 6.17.2;

Balancing Price (d,t) is the Balancing Price for Trading Interval t of Trading Day d calculated in accordance with clause 7A.3.10;

CONC(p,d,t) is the Constrained On Compensation for Market Participant p for Trading Interval t of Trading Day d. For a Market Participant other than ~~Verve Energy~~ Synergy, CONC(p,d,t) is the sum of all ConQN x ConPN for each of the Market Participant's Scheduled Generators and Non-Scheduled Generators for Trading Interval t. For ~~Verve Energy~~ Synergy, CONC(p,d,t) is the sum of all PConQN x PConPN plus the sum of all ConQN x ConPN for each Stand Alone Facility for Trading Interval t, where

ConQN, ConPN, PConQN and PConPN are calculated in accordance with clause 6.17;

COFFC(p,d,t) is the Constrained Off Compensation for Market Participant p for Trading Interval t of Trading Day d. For a Market Participant other than ~~Verve Energy Synergy~~, COFFC(p,d,t) is the sum of all CoffQN x CoffPN for each of the Market Participant's Scheduled Generators and Non-Scheduled Generators for Trading Interval t. For ~~Verve Energy Synergy~~, COFFC(p,d,t) is the sum of all PCoffQN x PCoffPN plus the sum of all CoffQN x CoffPN for each Stand Alone Facility for Trading Interval t, where CoffQN, CoffPN, PCoffQN and PCoffPN are calculated in accordance with clause 6.17; and

...

9.9.1. The Ancillary Service settlement amount for Market Participant p for Trading Month m is:

$$\begin{aligned} \text{ASSA}(p,m) = & \text{Verve Energy Synergy AS Provider Payment}(p,m) \\ & + \text{ASP_Payment}(p,m) \\ & + \text{LF_Market_Payment}(p,m) \\ & - \text{LF_Capacity_Cost_Share}(p,m) \\ & - \text{LF_Market_Cost_Share}(p,m) \\ & - \text{SR_Availability_Cost_Share}(p,m) \\ & - \text{Consumption_Share}(p,m) \times \text{Cost_LRD}(m) \end{aligned}$$

Where

$$\begin{aligned} \text{the Verve Energy Synergy AS Provider Payment}(p,m) = \\ & 0 \text{ if Market Participant } p \text{ is not } \text{Verve Energy Synergy} \text{ and} \\ & (\text{SR_Availability_Payment}(m) + \text{Cost_LRD}(m) \\ & - \text{ASP_Balance_Payment}(m)) \text{ otherwise;} \end{aligned}$$

...

9.9.2. The following terms relate to Load Following Service and Spinning Reserve Service costs in Trading Month m:

...

Where

...

LF_Up_Backup(p,t) is the sum of any Upwards LFAS Backup Enablement quantities for Trading Interval t if Market Participant p is ~~Verve Energy Synergy~~ and 0 otherwise;

LF_Up_Backup_Price(p,t) is the Backup Upwards LFAS Price for Trading Interval t if Market Participant p is ~~Verve Energy Synergy~~ and 0 otherwise;

...

LF_Down_Backup(p,t) is the sum of any Downwards LFAS Backup Enablement quantities for Trading Interval t if Market Participant p is ~~Verve Energy~~Synergy and 0 otherwise;

LF_Down_Backup_Price(p,t) is the Backup Downwards LFAS Price for Trading Interval t if Market Participant p is ~~Verve Energy~~Synergy and 0 otherwise;

...

...

9.18.3. A Non-STEM Settlement Statement must contain the following information:

...

(c) for each Trading Interval of each Trading Day:

...

v. the meter reading for each Registered Facility associated with the Market Participant ~~and to which clause 9.18.3(c)(vii) is not applicable;~~

vi. ~~[Blank] in the case of Verve Energy, the total quantity of energy deemed to have been supplied by Verve Energy's Registered Facilities;~~

vii. in the case of Synergy;

1. Notional Wholesale Meter values; and

2. the total quantity of energy deemed to have been supplied by its Registered Facilities;

...

...

10.5.1. The IMO must set the class of confidentiality status for the following information under clause 10.2.1, as Public and the IMO must make each item of information available from the Market Web Site after that item of information becomes available to the IMO:

...

(h) for each Trading Interval in each completed Trading Day in the previous 12 calendar months:

i. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to ~~Verve Energy~~Synergy;

- ii. the sum of the Metered Schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than ~~Verve Energy Synergy~~; and
- iii. the sum of the Resource Plan schedule generation for Scheduled Generators and Non-Scheduled Generators registered to Market Participants other than ~~Verve Energy Synergy~~;

...

- (vA) reports providing the MWh of non-compliance of ~~Verve Energy Synergy~~ by Trading Interval, as specified by System Management in accordance with clause 7.13.1A(a), for each Trading Month which has been settled;

...

- 10.8.2. The IMO must set the class of confidentiality status for all ~~Verve Energy Synergy~~ information specified in clause 7.6A as Rule Participant Dispatch Restricted Information with the exception of information specified by ~~Verve Energy Synergy~~ under clauses 7.6A.2(g) and 7.6A.3(c).

...

11 Glossary

...

Backup Downwards LFAS Price: Means the cost referred to in clause 7B.2.6 for ~~Verve Energy Synergy~~ providing Downwards LFAS Backup Enablement.

Backup Upwards LFAS Price: Means the cost referred to in clause 7B.2.6 for ~~Verve Energy Synergy~~ providing Upwards LFAS Backup Enablement.

...

Balancing Facility: Means:

- (a) for a Market Generator other than ~~Verve Energy Synergy~~:
 - i. each of its Scheduled Generators; and
 - ii. each of its Non-Scheduled Generators; and
- (b) each Stand Alone Facility.

...

Balancing Market: Means the market operated under Chapter 7A in which Facilities, including the ~~Verve Energy~~ Balancing Portfolio as a single Facility, can manage their contractual positions and meet supply and consumption deviations from contracted bilateral and STEM positions in each Trading Interval.

...

Balancing Portfolio: Means Synergy's Registered Facilities other than:

- (a) Stand Alone Facilities;
- (b) Demand Side Programmes;
- (c) Dispatchable Loads; and
- (d) Interruptible Loads.

Balancing Portfolio Supply Curve: Means a ranking of the Balancing Price-Quantity Pairs provided for the Balancing Portfolio.

...

Balancing Price-Quantity Pair: Means

...

- (c) for the ~~Verve Energy~~ Balancing Portfolio, the specified MW quantity at which ~~Verve Energy~~Synergy is prepared to have the ~~Verve Energy~~ Balancing Portfolio dispatched at as at the end of a Trading Interval and the Loss Factor Adjusted Price, in \$/MWh, at which ~~Verve Energy~~Synergy is prepared to provide from the sum of all of its Sent Out Capacity for each Facility in the ~~Verve Energy~~-Balancing Portfolio by the end of the Trading Interval.

~~**Balancing Portfolio Supply Curve:** Means a ranking of the Balancing Price-Quantity Pairs provided for the ~~Verve Energy~~ Balancing Portfolio.~~

...

Balancing Submission: Means:

- (a) for a Balancing Facility, other than the ~~Verve Energy~~ Balancing Portfolio, that is:
 - i. a Scheduled Generator, for each Trading Interval or Trading Intervals, a ranking of Balancing Price-Quantity Pairs for each MW of its Sent Out Capacity from zero capacity to the maximum Sent Out Capacity, together with associated Ramp Rate Limit for each Trading Interval; and
 - ii. a Non-Scheduled Generator, for each Trading Interval or Trading Intervals, the Market Generator's best estimate of the quantity for the Balancing Price-Quantity Pair, in MW, the Facility is able to reduce its output, together with the associated Ramp Rate Limit for each Trading Interval; and
- (b) for the ~~Verve Energy~~ Balancing Portfolio, the Balancing Portfolio Supply Curve together with the Portfolio Ramp Rate Limit.

...

Dispatch Order: Means an instruction by System Management under clause 7.6A for a Facility or Facilities in the ~~Verve Energy~~ Balancing Portfolio to vary output or consumption from the Dispatch Plan.

Dispatch Plan: Means the schedule of energy and Ancillary Services to be provided, or to be available to be provided on request, by the Facilities of ~~Verve Energy~~Synergy in the ~~Verve Energy~~ Balancing Portfolio, during a Trading Day, where these schedules may be revised by System Management during the course of the corresponding Scheduling Day and the Trading Day.

...

Downwards LFAS Backup Enablement: Means for a Synergy LFAS Facility, the capacity, in MW, ~~of a Registered Facility of Verve Energy~~ which System Management has activated under clause 7B.4.1 in a Trading Interval to compensate for a shortfall in Downwards LFAS Enablement and which has been notified to the IMO under clause 7B.4.2.

Downwards LFAS Enablement: Means, for an LFAS Facility, the capacity, or that part of the capacity, in MW, in an LFAS Downwards Price-Quantity Pair selected under clause 7B.3.4(c) which is associated with that Facility or with the ~~Verve Energy~~ Balancing Portfolio, as applicable.

...

LFAS Facility: Means:

- (a) a Stand Alone Facility, or Scheduled Generator or Non-Scheduled Generator registered to a Market Participant other than ~~Verve Energy~~Synergy, for which:
 - i. the relevant Market Participant has indicated in Appendix 1(j)(i) of Standing Data is intended to participate in the LFAS Market; and
 - ii. LFAS Standing Data has been accepted by the IMO; or
- (b) the ~~Verve Energy~~ Balancing Portfolio.

...

LFAS Submission: Means:

...

- (b) for the ~~Verve Energy~~ Balancing Portfolio for a Trading Interval or Trading Intervals, a ranking of LFAS Price-Quantity Pairs for each MW of capacity which the Market Participant wants to offer for LFAS for each Trading Interval.

...

Load Rejection Reserve Event: Means an event which causes a Facility in the ~~Verve Energy~~ Balancing Portfolio, which System Management has instructed to provide Load Rejection Reserve Service, to provide a Load Rejection Reserve Response.

...

Loss Factor: Means:

...

- (b) in relation to the ~~Verve Energy~~ Balancing Portfolio, the Portfolio Loss Factor.

...

Non-Balancing Dispatch Merit Order: An ordered list of ~~Scheduled Generators~~, Demand Side Programmes and Dispatchable Loads registered by Market Participants, ~~other than Verve Energy~~, and determined by the IMO in accordance with clause 6.12.1.

...

Operating Instruction: Means an instruction issued by System Management requiring a Facility to increase or decrease its output or decrease its consumption to meet the requirements of:

- (a) a Network Control Service Contract;
- (b) an Ancillary Service Contract;
- (c) a Test under these Market Rules;
- (d) a Supplementary Capacity Contract; or
- (e) Ancillary Services, other than LFAS but including LFAS Backup Enablement, to be provided by Facilities other than Facilities in the ~~Verve Energy~~ Balancing Portfolio.

...

Portfolio Loss Factor: For each Trading Interval = $\frac{\text{sum}(\text{Facility}(i) \text{ Sent Out Metered Schedule} \times \text{Loss Factor } (i))}{\text{sum}(\text{Facility } (i) \text{ Sent Out Metered Schedule})}$ for all Facilities in the ~~Verve Energy~~ Balancing Portfolio.

Portfolio Ramp Rate Limit: Means ~~Verve Energy's~~ Synergy's best estimate, in MW per minute, on a linear basis, of the ~~Verve Energy~~ Balancing Portfolio's physical ability to increase or decrease its output from the commencement of a Trading Interval.

...

Sent Out Capacity: Means:

- (a) for a Balancing Facility, other than the ~~Verve Energy~~ Balancing Portfolio, that is:
 - i. a Scheduled Generator, the capacity provided as the Standing Data in Appendix 1(b)(iii); and
 - ii. a Non-Scheduled Generator, the capacity provided as the Standing Data in Appendix 1(e)(iiiA); and

- (b) for the ~~Verve Energy~~ Balancing Portfolio, the sum of all of the Standing Data in Appendix 1(b)(iii) and Appendix 1(e)(iiiA) for each Facility in the ~~Verve Energy~~ Balancing Portfolio.

...

Spinning Reserve Event: Means an event which causes a Facility in the ~~Verve Energy~~ Balancing Portfolio, which System Management has instructed to provide Spinning Reserve Service, to provide a Spinning Reserve Response.

...

Stand Alone Facility: Means a ~~Facility~~ Scheduled Generator or Non-Scheduled Generator that is accepted by the IMO under clause 7A.4 as a stand alone facility.

...

Synergy: The body corporate established under section 4(1)(ea) of the Electricity Corporations Act.

Upwards LFAS Backup Enablement: Means for a Synergy LFAS Facility, the capacity, in MW, ~~of a Registered Facility of Verve Energy~~ which System Management has activated under clause 7B.4.1 in a Trading Interval to compensate for a shortfall in Upwards LFAS Enablement, and which has been notified to the IMO under clause 7B.4.2.

Upwards LFAS Enablement: Means, for an LFAS Facility, the capacity, or that part of the capacity, in MW, in an LFAS Upwards Price-Quantity Pair selected under clause 7B.3.4(b) which is associated with that Facility or with the ~~Verve Energy~~ Balancing Portfolio, as applicable.

...

~~**Verve Energy:** Means the body corporate established by section 4(1)(a) of the Electricity Corporations Act.~~

~~**Verve Energy Balancing Portfolio:** Means all the Registered Facilities of Verve Energy other than Stand Alone Facilities.~~

...

Appendix 1: Standing Data

...

- (h) for a Demand Side Programme:

...

- vi. for a Demand Side Programme that is registered to a Market Participant ~~other than Verve Energy~~, data comprising:

...

...

(i) for a Dispatchable Load:

...

xA. for a facility that is registered to a Market Participant ~~other than Verve Energy~~, data comprising:

...

...

...

Appendix 2: Spinning Reserve Cost Allocation

...

For the purpose of determining the $SR_Share(p,t)$ values, each applicable facility f has an applicable capacity associated with it for Trading Interval t .

...

- If facility f is a ~~Verve Energy~~Synergy Intermittent Generator without an interval meter then this is double the average monthly MWh sent out generation of that facility based on SCADA data over the Trading Month containing Trading Interval t .
- If facility f is a ~~Verve Energy~~Synergy Scheduled Generator without an interval meter or an unmetered generation system serving Intermittent Load then this is double the MWh sent out generation of that facility based on SCADA data for Trading Interval t .

...

Appendix 9: Relevant Level Determination

...

Determining Existing Facility Load for Scheduled Generation

...

Step 3: For each Candidate Facility, identify any Trading Intervals in the period identified in step 1(b) where:

- (a) the Facility, other than a Facility in the ~~Verve Energy~~ Balancing Portfolio, was directed to restrict its output under a Dispatch Instruction as provided in a schedule under clause 7.13.1(c); or

- (b) the Facility, if in the ~~Verve Energy~~ Balancing Portfolio, was instructed by System Management to deviate from its Dispatch Plan or change its commitment or output as provided in a schedule under clause 7.13.1C(d);
or
- (c) was affected by a Consequential Outage as notified by System Management to the IMO under clause 7.13.1A.

...