Status Report prepared under clause 7.12 of the Market Rules by System Management 21 June 2007



DMS#: 3868766v1 File#: WM/85/1(44)V1

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1 Introduction

1.1 System Management

Western Power is established under section 4(1)(b) of the *Electricity Corporations Act 2005* and has the functions conferred under section 41 of that act.

Part 9 of the *Electricity Industry Act 2004* makes provision for a wholesale electricity market and provides for the establishment of Market Rules.

One of the core functions undertaken by Western Power is the management of the electricity transmission and distribution networks. Regulation 13 of the *Electricity Industry (Wholesale Electricity Market) Regulations 2004* provides that the Market Rules may confer on an entity the function of operating the SWIS in a secure and reliable manner.

Clause 2.2 of the *Wholesale Electricity Market Amending Rules (September 2006)* (**Market Rules**) confers this responsibility upon the segregated ("ring fenced") business unit of Western Power known as System Management. Amongst these responsibilities, the functions of System Management are to:

- release information required by the Market Rules;
- monitor rule participants compliance with the Market Rules relating to dispatch and power system security and power system reliability; and
- provide regular reports to the IMO and other market participants.

Included in the requirement to monitor and report is this Status Report, described in clause 7.12 of the Market Rules.

1.2 Status Report

System Management has prepared this report pursuant to its obligations under clause 7.12 of the Market Rules, for the period 22 March 2007 to 21 June 2007.

2 Issuance of Dispatch Instructions

During the period, System Management issued a total of 22 Dispatch Instructions to Market Participants.

Of these, 14 were "minimum MW" instructions, 0 were "target MW" instructions, and 8 were instructions to return to the Resource Plan.

3 Non-compliance with Dispatch Instructions

No instances of non-compliance with Dispatch Instructions occurred.

4 Transmission constraints

A transmission constraint is a limitation on the transmission network's capability to deliver electrical power, which prevents one or more market generators from generating at any desired output, up to their maximum capacity, except where the limitation fits one or more of the following criteria:

1. The transmission network limitation is acknowledged in the Participant's access agreement and the Participant did not agree to contribute to the necessary upgrade the transmission network to remove the limitation. Such a limitation is called an Access Agreed Limitation.

2. The transmission network limitation affects Verve generation facility and existed at the time of disaggregation of Western Power Corporation on 1st April 2006. Such a limitation is called a Verve Access Limitation.

System Management has identified no instances of potential or actual transmission constraints during the relevant period that meet the definition above.

5 Shortfalls in Ancillary Services

No instances of shortfalls in Ancillary Services occurred.

6 Involuntary curtailment of load

No instances of involuntary curtailment of load, requiring major rotational load shedding, occurred.

7 High Risk Operating State

Two instances of a High Risk State occurred.

On both 12/04/2007 and 19/05/2007, a generator trip resulted in a frequency event with Market Participants being dispatched outside of the merit order.

8 Emergency Operating State

No instances of an Emergency Operating State occurred.