

Our ref: DM#9853677
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2 October 2012

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Tutaan

Energy Market Arrangements for Electric and Natural Gas Vehicles

We refer to the *Energy Market Arrangements for Electric and Natural Gas Vehicles: Draft Advice* released by the AEMC on 29 August 2012.

Western Power's submission to the AEMCs Approach Paper raised many of the issues addressed by the Draft Advice.

Western Power is broadly supportive of the AEMC's observations and proposed recommendations, particularly regarding the desirability of retail pricing signals to manage the impact of electric vehicles on peak demand.

Regarding the proposed recommendation to review the Balancing and Load Following Market Rules, Western Power notes that significant reforms to the Western Australian Balancing and Load Following Ancillary Services Market were implemented by the Independent Market Operator (IMO) in July 2012. The need for any further changes should be considered as part of the IMO's Market Evolution Program, with the impacts of recent changes being taken into consideration.

Yours sincerely



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