
Wholesale Electricity Market – Rule Change Proposal Submission Form

Rule Change Proposal: RC_2007_11: IRCR for new meters – customer peak load diversity

Submitted by

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Submission

1. Please provide your views on the proposal, including any objections or suggested revisions

LGP supports this Rule Change proposal.

LGP notes that in implementing this Rule Change the IMO would have to bear the cost of revising its systems and supports this as a proper use of the IMO's resources.

2. Please provide an assessment, whether the change will better facilitate the achievement of the Market Objectives

LGP's supports Alinta's analysis of how the Rule Change would better facilitate achievement of the Market Objectives.

In addition to Alinta's analysis, LGP notes that;

- 1) it is primarily "small" customers that do not have interval metering and that are subject to the current rule. Moreover, "small" customers are more readily compatible with small retailers / generators, and small retailers / generators are oftentimes representative of particular technologies. There is therefore a perspective that pursuant to Market Objective c) this Rule Change would help remove discrimination against particular technologies; and

- 2) the supply of “small” customers is additionally burdened with the cost of the meter upgrade and installation of remote communications technology, which cost is a significant proportion of a small customer’s annual charge.

LGP’s supports the IMO’s assessment of the change better facilitating the achievement of the Market Objectives, specifically that, “The current Appendix 5 could give rise to (disproportionately) high IRCRs for new interval meters and create an undue cost for retailers successfully competing for customers. This has the potential to discourage competition among retailers and negatively impact on the effectiveness of the electricity market operations. The change is, therefore, considered to be urgently needed in order to facilitate market effectiveness and avoid further undue costs for retailers competing for existing or new customers.”

3. Please indicate if the proposed change will have any implications for your organisation, (for example changes to your IT or business systems) and any costs involved

LGP would benefit from the proposed Rule Change in its capacity as a retailer for the reasons set out by Alinta. In particular its costs of supplying small customers would be reduced.

LGP would incur no organisational costs as a consequence of adopting the change.

4. Please indicate the time required for your organisation to implement the change, should it be accepted as proposed

LGP would be able to implement this Rule Change immediately.

LGP supports acceptance of the Rule Change as proposed.
