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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2009\_10 – Early Certified Reserve Capacity

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#### Submitted by

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<b>Date submitted:</b>	09-06-09

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#### Submission

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

Griffin supports the proposal as a sensible measure to differentiate capacity in the Market Rules that is physically different by nature. The current settings require proponents to make investment decisions on long lead time generation facilities before capacity credits can be secured. While current generation technology dictates that long lead time facilities are generally larger facilities that rely on long term bilateral contracts (and hence do not require capacity credit certainty for financing – as capacity credit risk is shared by the bilaterally contracting parties), it is desirable to mitigate this risk by creating certainty before bilateral negotiations are likely to be concluded. It is also prudent to assume that new technology (that might be more reliant on capacity credit revenue to secure finance) might benefit from the extended timeframes, as by its nature, new technology facilities will likely require longer lead times for a successful project development.

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

- (a) Promoting more certainty for long lead time facilities (especially new technology facilities) will likely lead to a more economically efficient mix of generation investment in the SWIS.

- Promoting more certainty for long lead time facilities will lead to more competition and will facilitate efficient entry of new competitors, as new competitors of generation facilities that are not typified by those which can be developed in the current timeframes will gain more traction in the market.
- (b)
  - (c) Removes an inherent discrimination against new generation facilities requiring long development lead times.
  - (d) Not inconsistent.
  - (e) Not applicable.
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**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 in implementing these changes.**

No administrative changes or costs.

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

Not applicable.

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