

---

---

## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2009\_11 - Changing the Window of Entry into the Reserve Capacity Market

---

---

#### Submitted by

<b>Name:</b>	Andrew Everett
<b>Phone:</b>	(08) 9424 1836
<b>Fax:</b>	(08) 9424 1818
<b>Email:</b>	andrew.everett@verveenergy.com.au
<b>Organisation:</b>	Verve Energy
<b>Address:</b>	15-17 William St Perth WA 6000
<b>Date submitted:</b>	24 April 2009

---

---

#### Submission

---

---

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

Verve Energy supports the proposed amendment to bring the window of entry for new facilities forward by two months. We consider the revised window strikes the appropriate balance between the risk that commissioning delays will impact on security of supply and potential increased costs of procuring capacity two months earlier.

It is noted however that the proposal does not seek to amend the timeline for certification and allocation of capacity credits. This would see facilities clearing in the Reserve Capacity Auction having less than 25 months to achieve completion. Anecdotal evidence suggests 30 months is a more realistic timeframe and therefore consideration should be given to moving the entire certification timeline. This would necessitate deferral of the rule change implementation by at least a year but Verve Energy considers this an acceptable compromise.

The rule change also seeks to bring forward the earliest date at which a facility can retire to 1 June of the relevant capacity year. Whilst this reduces the potential for the market to incur simultaneous capacity costs from new and retiring plant, it could impact on security of supply

in the winter months when demand is relatively high and new plant may yet to be commissioned, or is considered unreliable. Consideration should therefore be given to retaining the present retirement date as no earlier than 1 August. Such a change is unlikely to impose significant costs on the market as most facilities would be expected to continue operation until 1 October in order to maximise capacity credit revenue.

---

---

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

Verve Energy agrees with the IMO assessment against the market objectives.

---

---

**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.**

n/a

---

---

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

n/a

---

---