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## Wholesale Electricity Market – Rule Change Proposal Submission Form

RC\_2009\_21

**Report Title: Rule Change Notice: Treatment of Negative MCAP on the settlement of Ancillary Services**

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### Submitted by

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<b>Date submitted:</b>	24 July 2009

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### Submission

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

LGP supports the Rule Change proposal on the grounds that it corrects a manifest error whereby Verve Energy would be required to pay the market in order for it to supply Ancillary Services in the event of MCAP being negative, which it is from time to time. Further, in addition to removing the inequity of the current rule, the rule change would make it easier for non-Verve generators to compete in the Ancillary Services market.

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

LGP supports Verve's contention that the rule change promotes market objective a) (*to promote the economically efficient, safe and reliable production and supply of Electricity*) and also enhances the integrity of the market.

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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**

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

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**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.

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