

Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2009_37 Equipment Tests

Submitted by

Name:	Ky Cao
Phone:	08 9420 0300
Fax:	08 9474 9900
Email:	k.cao@perthenergy.com.au
Organisation:	Perth Energy
Address:	Unit 3, 77 Mill Point Road, South Perth WA 6151
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Submission

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

Background

Currently, there is no avenue under the Market Rules for Facilities to perform tests on their equipment, for example to comply with environmental approvals, other than if the test can be performed without impacting on the ability of the Facility to follow its Resource Plan, or if the test fits the criteria of a Commissioning Test.

Tests that do not fit the Commissioning Test criteria may be necessary from time to time. However, currently if such a test were to impact on the Facility's ability to follow its Resource Plan, System Management has an obligation to direct the Facility to comply with its Resource Plan and testing would have to be aborted.

Change Proposal

System Management has proposed to change the Market Rules to introduce the new term of "Equipment Test". An Equipment Test will be a test to verify Standing Data for the Facility,

enable the Facility to resolve technical performance issues or confirm Ancillary Services provision capabilities.

Where System Management has approved an Equipment Test, the Market Participant will be allowed to deviate from its Resource Plan and System Management will not have an obligation to instruct the Market Participant to conform to its Resource Plan. Any commercial consequences of deviating from the Resource Plan, such as being exposed to UDAP, DDAP and forced outage payments, will still apply.

Perth Energy's Views

Perth Energy supports System Management's proposal. Perth Energy notes that generators from time to time have a need to test their equipment outside of the normal maintenance cycle and that these tests can, in some instances, result in a deviation from the Resource Plan. It would be detrimental to system security if such testing were not allowed to occur. System Management's proposal to effectively legitimise the testing, without changing any of the commercial incentives that are in place for deviating from the Resource Plan, is in our view a sensible solution to the problem.

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

Perth Energy considers the change would better facilitate the achievement of Market Objective¹ (a) as it would allow timely testing of equipment with the consent of System Management. Perth Energy has not identified any negative impacts on any of the other Market Objectives.

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.

There will be no impact for Perth Energy.

¹ The objectives of the market are:

- (a) to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;
- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;
- (c) to avoid discrimination in that market against particular energy options and technologies, including sustainable energy options and technologies such as those that make use of renewable resources or that reduce overall greenhouse gas emissions;
- (d) to minimise the long-term cost of electricity supplied to customers from the South West interconnected system; and
- (e) to encourage the taking of measures to manage the amount of electricity used and when it is used.

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

Perth Energy does not require any lead time to implement the change.