

---

## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2010\_12 Required Level and Reserve Capacity Security

---

#### Submitted by

<b>Name:</b>	Catherine Rousch
<b>Phone:</b>	6212 1125
<b>Fax:</b>	
<b>Email:</b>	Catherine.Rousch@synergy.net.au
<b>Organisation:</b>	Synergy
<b>Address:</b>	228 Adelaide Terrace Perth 6000
<b>Date submitted:</b>	17 December 2010

---

#### Submission

---

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

Synergy supports Rule Change Proposal RC\_2010\_12, which acts to ensure that all Facilities (conventional and non-conventional) receive their Reserve Capacity Security back when they can prove to the IMO that they can perform to the level at which their certification is based.

Specifically, the Rule Change Proposal will:

- Ensure that Reserve Capacity Security is either returned to the Market Participant or forfeited within the first Reserve Capacity Cycle and that no further Reserve Capacity Security obligation will apply unless a Market Participant decides to upgrade the Facility at a later date;
- Define a level of output that a Facility is required to perform at (the "Required Level") before Reserve Capacity Security is returned; and
- Allow for the return of the Reserve Capacity Security when a Facility can operate at the Required Level, regardless of whether this occurs before or after a Reserve Capacity Obligation Quantity (RCOQ) greater than zero applies.

Synergy suggests the following minor amendments to the proposed drafting (~~deleted text~~, added text):

4.11.3B (a) For Facilities assigned Certified Reserve Capacity under clause 4.11.1(a), is calculated using the Metered Schedule and temperature dependence information submitted to the IMO under clause 4.10.1(e); and converted to a sent out basis to 41°C;

4.13.3 (a) be in an amount not less than the level required under clause 4.13.2; and

4.13.10 If a Market Participant that provides Reserve Capacity Security in respect of a Facility either:

(a) operates the Facility at a level which is at least 90 percent of its Required Level, scaled to the level of Capacity Credits specified in clause 4.20.1(a), in at least two Trading Intervals before the end of the relevant Capacity Year; or

4.13.10C For a Facility certified under clause 4.11.2(b), a Market Participant may provide the IMO with a report<sub>1</sub> prepared by an independent expert accredited by the IMO in accordance with the Reserve Capacity Procedure<sub>1</sub> before the end of the relevant Capacity Year. The report must specify which specifies the equivalent percentage of the Facility described in the report provided under clause 4.10.3 that has been built.

---

---

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

Synergy believes that the Rule Change Proposal as a whole will allow the Market Rules to better address Market Objectives (b) and (c):

- (b) to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors; and*
- (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.*

---

---

**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.**

Synergy would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

---

---

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

Synergy would be able to implement this rule change immediately.

---

---