

4 February 2011

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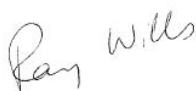
Capacity Value of Intermittent Generation.

The Sustainable Energy Association of Australia Inc. (SEA) is one of Australia’s largest energy chambers. SEA provides a submission to the IMO in support of continued market evolution and in support of the IMO principal 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”. SEA has not sought to make detailed comment, but rather to support the submissions that will be made by its members to this process.

SEA is a membership-based group of enterprises providing the commercial solution to climate change through their products and services, or that aspire to be more sustainable in their own energy use, inclusive of businesses offering or using services and products that manage or offset greenhouse gas emissions in transition to sustainable energy use.

SEA lobbies for substantive action at local, state and national levels on sustainable energy across all areas and sectors of Australia’s economy. Many businesses are acting to support the development of the best policy outcomes for the industry by becoming SEA members; SEA has over 380 industry members from a diversity of enterprises.

Yours sincerely



Prof Ray Wills
 Chief Executive Officer, Sustainable Energy Association of Australia Inc. (SEA)

SEA Corporate members



Probono legal advice provided by Jackson McDonald Lawyers

Wholesale Electricity Market Rule Change Proposal Submission Form

<RC_2010_25 Calculation of the Capacity Value of Intermittent Generation - Methodology 1

Submitted by

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Date submitted:	4 Feb 2011

Submission

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

Noting the IMO principal 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”, SEA is concerned that inadequate recognition and compensation for renewable energy capacity will lead to renewable energy projects effectively subsidizing a fossil fuel based generation.

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

SEA's opinion, based on consultation with members, is that the proposed rule changes will provide assurance to the System Manager regarding reliability Market Objective (a) but will have both short and long term negative consequences for the electricity market covered by failing to address the Market objectives (b) to (d). The sole exception to this current rule change impact is the inclusion of solar PV generation, which has been previously excluded contrary to Market Objective (c)

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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.**

Not applicable

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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
