
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2012_01 Intermittent Loads Eligibility Criteria

Submitted by

Name:	Brendan Clarke
Phone:	9427 5940
Fax:	9427 4228
Email:	Brendan.Clarke@westernpower.com.au
Organisation:	System Management
Address:	
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Submission

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

System Management is pleased to make this submission on the

Rule Change Notice
Title: Intermittent Loads Eligibility Criteria
Ref: RC_2012_01
Standard Rule Change Process
Date: 29 February 2012

System Management does not agree with the interpretation of the eligibility of Intermittent Loads as given in the Rule Change Proposal

The Rule Change Proposal notes the following clause enables a facility registered as a Load to be settled in the market if it has both an intermittent component and a non-intermittent component.

“2.30B.10 iii. NL to be the maximum possible consumption behind that meter due to consumption which is not Intermittent Load but which is measured only by the meter which also measures the Intermittent Load. This has a negative value;”

System Management believes that this does not give the right for a Market Participant to apply for part of its facility to be an intermittent load or for the IMO to accept this application.

System Management believes the IMO may only accept an application for an intermittent load if the requirements of clause 2.30B.2 are met. This rule is quoted below

*“2.30B.2. For a Load to be eligible to be an Intermittent Load the IMO must be satisfied that the following conditions are met:
a generation system must exist:*

i. which can typically supply the maximum amount of that Load to be treated as Intermittent Load either in accordance with clause 2.30B.11 or without requiring energy to be withdrawn from a Network. Where clause 2.30B.11 applies then, for the purpose of this clause (i), the amount that the generation system can supply must be Loss Factor adjusted from the connection point of the generation system to the connection point of the Intermittent Load;

ii. the output of which is netted off consumption of the Load either in accordance with clause 2.30B.12 or by the meter registered to that Load; and

iii. which would in the view of the IMO, if it were not serving an Intermittent Load, be eligible to hold an amount of Certified Reserve Capacity, determined in accordance with clause 2.30B.4, at least sufficient to supply the amount of energy that the generation system is required by (a)(i) to be able to supply while simultaneously being able to satisfy obligations on any Capacity Credits associated with that generation system;

(b) the Load shall reasonably be expected to have net consumption of energy for not more than 4320 Trading Intervals in any Capacity Year;

(c) the Market Customer for that Load must have an agreement in place with a Network Operator to allow energy to be supplied to the Load from a Network;

(d) the Load is an Interruptible Load or a Non-Dispatchable Load; and

(e) the Load is not expected (based on applications accepted by the IMO under clause 2.29.5D and any amendments accepted by the IMO under clause 2.29.5K) to be associated with any Demand Side Programme for any period following the registration of the Load as an Intermittent Load.”

System Management also believes the following interpretation applies to this clause.

“2.30B.2(a)(i). A generation system exists which can typically supply the maximum amount of load.”

“Typically” should be interpreted to mean will be able to supply the load other than when the generator is on a forced, consequential or approved outage.

System Management believes that the value of NL as defined in Appendix 1(f)(viii) is not a quantity which can be verified independently with metered quantities.

As clause 2.30B.10 does not provide for external scrutiny, it undermines the requirement for the market to become more transparent.

Hence, System Management believes the Proposed Rule Change misses an opportunity to make the market more transparent, rather embeds a questionable methodology.

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

System Management believes that the proposal does not attempt to show that the proposed rule changes better facilitate the achievement of 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.

This Rule Change Proposal will not involve changes to System Management’s IT or business systems.

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

The expected implementation date of this Rule Change Proposal should be achievable as there are no changes required.