
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2012_07 Loss Factor Determination

Submitted by

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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: Loss Factor Determination
Ref: RC_2012_07
Standard Rule Change Process
Date: 20 November 2012

System Management appreciates the opportunity to respond to Rule Change Proposal RC_2012_07:

RC_2012_07 seeks to remove the ambiguity in the process of providing loss factors.

System Management supports the principle of removing ambiguity but seeks clarity into the process used to determine some aspects of the loss factor determination.

1. Verve Portfolio Loss Factor

The Rule Change Proposal expands the definition of Loss Factor to include a Verve Energy Balancing Portfolio loss factor

It is unclear as to where this is applied as most Verve Energy Balancing Portfolio quantities are not loss factor adjusted. For example 7A.3.1:

“7A.3.1. The IMO must convert the prices for each Trading Interval in Balancing Price-Quantity Pairs in Balancing Submissions from Market Participants, other than Verve Energy in respect of the Verve Energy Balancing Portfolio, into Loss Factor Adjusted Prices.”

Additionally it is unclear from the Rule Change Proposal whom and how this value will be determined.

2. Transmission Loss Factor for a Network Operator

The Rule Change Proposal requires Network operators to provide Transmission Loss Factors which must notionally represent the marginal losses relative to the Reference Node (defined as the Muja 330 bus-bar).

It is unclear what is meant by “notionally”.

In addition it is unclear how a network operator (other than Western Power) could make this calculation without modelling the whole Western Power Network which includes the Reference Node

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

System Management believes that the Rule Change proposal assertion that objective (a) is better achieved is reasonable.

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.