Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2012_09 Clarification and Calculation of Availability Curve

Submitted by

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Submission

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

Synergy supports RC_2012_09 that acts to clarify the formulation of a two dimensional Availability Curve as required in clause 4.5.10(e). A key focus of the clarification is the requirement that the Availability Curve defines the availability requirement for every trading interval. This is self evident as by definition the curve has two dimensions, being capacity and time (the latter expressed as Trading Intervals).

The capacity required for every Trading Interval is proposed to be the sum of the one in ten year peak demand (including transmission losses and allowing for Intermittent Loads) assuming expected demand growth in the Capacity Year; the reserve margin in clause 4.5.9(a); and the Minimum Frequency Keeping Capacity. This approach is consistent with that applied in clause 4.5.10(b) to determine the Reserve Capacity Target.

However, Synergy notes that clause 4.5.10(b) defines a single point value for a Capacity Year, based on the forecast one in ten year peak demand and the associated reserve margin, whereas the proposal seeks to define the Availability Curve for each and every trading interval applying the same single point reserve margin value. Given this context, we note, through informal discussion, System Management's intention is to only use something like the peak 192 and not the complete 17,520 Trading Intervals.

In Synergy's view, to clarify the effect of this rule change, this limit to the number of Trading Intervals that Synergy Management intend to use needs to be explicitly stated. Furthermore, as demand ranked Trading Interval 192 will have a significantly lower demand than the highest demand Trading Interval, by applying the same single point value to all 192 Trading Intervals will overstate the need for the majority of the selected Trading Intervals. In light of

this, Synergy suggests that rather than using the single point value, System Management consider the size of the largest generator as the contingency value when constructing the Availability Curve.

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

This rule change, through clarifying the determination of the Availability Curve will more accurately define availability requirements, supports market objective a) by promoting the economically efficient, safe and reliable supply of electricity.

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 does not believe this rule change will result in any system or business costs.

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

Synergy believes this rule change can be implemented before the requirement to publish the next Statement of Opportunities.