
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 proposal, including any objections or suggested revisions.

Verve Energy agrees that there is currently insufficient clarity in the Market Rules and associated Market Procedure¹ as to how the Availability Curve is calculated. As such Verve Energy supports System Management's Rule Change Proposal to clarify the calculation of the Availability Curve (as defined in clause 4.5.10(e) of the Wholesale Electricity Market Rules (Market Rules)).

In reviewing the Rule Change Proposal, Verve Energy has identified the following minor issues for further consideration by the Independent Market Operator (IMO).

Issue 1: The IMO's most recent Statement of Opportunities (SOO)² noted that:

The Availability Curve ensures that there is sufficient capacity at all times to satisfy both elements of the Planning Criterion (10% PoE peak demand + Margin³ and 0.002% Unserved Energy⁴), as well as ensuring that sufficient capacity is available to satisfy the criteria for evaluating Outage Plans.

While the SOO states that the Availability Curve ensures that there is sufficient capacity to satisfy both elements of the Planning Criterion, Verve Energy notes that the proposed Amending Rules only refer to the Defined Scenario element of the Planning Criterion (as

¹ Undertaking the LT PASA and conducting a review of the Planning Criterion

² June 2012: Appendix 8, pg. 90

³ Clause 4.5.9(a) of the Market Rules

⁴ Clause 4.5.9(b) of the Market Rules

drafted in proposed clause 4.5.10(e)ii). Verve Energy notes that the Draft Report of the 5-year Review of the Planning Criterion recommends that the expected unserved energy component of the Planning Criterion be removed. However, Verve Energy considers that while the recommendations from the 5-year review process are still in draft stage, the Availability Curve calculation should still satisfy the Unserved Energy element of the Planning Criterion.

Issue 2: The proposed drafting of clause 4.5.10(e) removes the reference to the term “Availability Curve”. For clarity, Verve Energy considers that the reference to the term be reinstated. As such, Verve Energy suggests the following amendment to the proposed drafting (in red):

4.5.10 The IMO must use the information assembled to:

...

- (e) develop a two dimensional duration curve of the forecast minimum capacity requirements over the Capacity Year (“Availability Curve”) for each of the second and third Capacity Years of the Long Term PASA Study Horizon describing the information referred to in clause 4.5.12 (“Availability Curve”). The forecast minimum capacity requirement for each Trading Interval in the Capacity Year must be determined as the sum of:
- i. The forecast demand (including transmission losses and allowing for Intermittent Loads) for that Trading Interval under the scenario described in clause 4.5.10(a)(iv);
 - ii. The reserve margin for the Capacity Year described in clause 4.5.9(a); and
 - iii. The forecast Minimum Frequency Keeping Capacity for the Capacity Year.

Issue 3: Verve Energy notes that the proposed drafting of clause 4.5.10(e) removes the reference to clause 4.5.12 of the Market Rules, which outlines the information that an Availability Curve is to contain. As a consequence Verve Energy is uncertain of the inter-relationship between new clause 4.5.10(e) and current clause 4.5.12 of the Market Rules. As such, Verve Energy seeks clarification on this from the IMO in its Draft Rule Change Report.

Issue 4: In recent Rule Changes the IMO has moved towards amending the Market Rules to be principles-based rather than prescriptive, moving prescriptive detail into the Market Procedure. Verve Energy considers that some of the detail outlined in the Rule Change Proposal may have been more appropriately contained in the Market Procedure.

Issue 5: For clarity and consistency in drafting, Verve Energy considers that proposed sub clause 4.5.10(e)ii could refer to clause 3.10.1(a) of the Market Rules (where the Minimum Frequency Keeping Capacity requirement is outlined). As such, Verve Energy suggests the following amendment to the proposed drafting (in red):

4.5.10 The IMO must use the information assembled to:

...

- (e) develop a two dimensional duration curve of the forecast minimum capacity requirements over the Capacity Year for each of the second and third Capacity Years of the Long Term PASA Study Horizon describing the information referred to in clause 4.5.12 (“Availability Curve”). The forecast minimum capacity requirement for each Trading Interval in the Capacity Year must be determined as the sum of:
- i. The forecast demand (including transmission losses and allowing for Intermittent Loads) for that Trading Interval under the scenario described in clause 4.5.10(a)(iv);
 - ii. The reserve margin for the Capacity Year described in clause 4.5.9(a); and
 - iii. The forecast Minimum Frequency Keeping Capacity, described in clause 3.10.1(a), for the Capacity Year.

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

Verve Energy agrees with System Management's assessment that the intent of the Rule Change Proposal would improve Wholesale Market Objective (a).

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.

Verve Energy would not require any changes to its IT or business systems, nor incur any organisation costs as a consequence of adopting the changes (either as proposed by System Management or amended as suggested by Verve Energy).

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

Verve Energy does not need to undertake any actions to implement this Rule Change Proposal.
