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## Wholesale Electricity Market Rule Change Proposal Submission Form

### RC\_2012\_15 Four month Commissioning Test Period for new generating systems

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#### Submitted by

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#### Submission

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

Synergy supports this rule change which acts to remove the prohibition on System Management from approving a Commissioning Test Plan of greater than four months in the case of a new generating system.

#### **UDAP/DDAP penalty regime removed**

Synergy understands that the four month limitation on Commissioning Test Plans for new generating systems was introduced to manage the financial risk associated with UDAP and DDAP payments. The implementation of the competitive balance regime from July 2012, where market generators are dispatched via a balancing merit order based on a balancing bid price stack, removed the rationale of the UDAP/DDAP penalty regime which correspondingly resulted in its deletion from the rules. Accordingly, with the original rationale underpinning the maximum four month commissioning period removed, it is sensible that this arbitrary limitation on System Management's discretion to approve certain Commissioning Test Plans of greater than four months for new generating systems also be removed from the rules.

#### **Market efficiencies maximised when unnecessary regulation is removed**

In a competitive market, removal of unnecessary regulation that can impact operating decisions of participants with no apparent benefit for the market as a whole should be removed. In Synergy's view, energy market efficiencies are maximised when participants

are unfettered in their response to market signals unless, of course, the security or reliability of the system is jeopardised or a market power position is being exploited. It is for a participant to balance its risk in the market: if a Market Generator determines that an extended commissioning program is required for a new generating system then it should be able to seek System Management's approval of such a plan (reliability and security concerns permitting) knowing that capacity credit refunds apply from the commencement of the capacity year.

### **Standard Rule Change Process.**

The Rule Change Notice for RC\_2012\_15 states that the IMO has decided to subject this Rule Change Proposal to the Fast Track Rule Change Process. However, the Rule Change Proposal Form for RC\_2012\_15, which describes the details of the proposed rule change, in terms of the issue and proposed resolution, states that in section 2 that the IMO proposes that it be progressed via the Standard Rule Change process. Synergy notes that this is unchanged from agenda item 5d of the September MAC meeting at which PRC\_2012\_15 was presented. Synergy further notes that the draft meeting minutes for the September MAC meeting only record that MAC agreed that PRC\_2012\_15 be progressed as a rule change; no mention was made that it should be progressed as a Fast Track Rule Change indicating that the decision to make it fast track was not tabled at the meeting for MAC members to consider.

While a case can be made for this proposed rule change to proceed as a fast track rule change, Synergy agrees with the IMO's expressed intent, as indicated in the PRC\_2012\_15 document and retained in the formal RC\_2012\_15 document that it be subjected to the Standard Rule Change Process. Synergy takes the view that it is really of a minor nature and also that to its knowledge that in the near term future there are no new generating systems contemplating commissioning with plant characteristics that would result in an extended commissioning period being required and that therefore it is reasonable and sufficient that the Proposed Rule Change proceed through the Standard Rule Change Process.

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

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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.**

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