
Wholesale Electricity Market – Rule Change Proposal Submission Form

RC_2008_34: Rule Change Notice: Funding of SRC in the event of capacity credit cancellation

Submitted by

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Date submitted:	22 December 2008

Submission

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

LGP supports the proposed Rule Change on the grounds that it more equitably allocates the costs of SRC to causers and thereby provides financial signals to motivate compliance with the intent of the Capacity Credit obligation. We support the capping of the cost to the amount that would have been paid to a generator (or 50% in the case of an existing facility) had it been available as initially contracted.

Please note that this support is conditional on the implementation of Rule Change 27, as presumed by this Rule Change. In the event of RC 27 not being implemented, LGP advocates reconvening the SRC Working Group and reviewing all that group's outcomes.

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

LGP supports the IMO's contention that the proposal supports market objective (a) (*to promote the economically efficient, safe and reliable production and supply of electricity and electricity related*

services), by allocating the costs of SRC to the causers and thereby motivating them to comply with their capacity contracts.

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

LGP would incur no organisational costs as a consequence of adopting the change.

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

LGP would be able to implement this Rule Change immediately.
