
**Wholesale Electricity Market
Rule Change Proposal Submission Form**

**RC_2010_08 - Removal of DDAP Uplift when less than facility
minimum generation**

Submitted by

Name:	Wendy Ng
Phone:	9424 1917
Fax:	9424 1818
Email:	wendy.ng@verveenergy.com.au
Organisation:	Verve Energy
Address:	15-17 William Street, Perth WA 6000
Date submitted:	1 st June 2010

Submission

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

DDAP is an incentive for scheduled generators to submit achievable Resource Plans. Any deviation from a Resource Plan may increase the risk to a secure and reliable electricity supply.

There is little data to show that uncontrollable deviations arising from operation below stable minimum generation is significant for the market or is significant in monetary terms. Verve Energy would suggest that the IMO makes an assessment of the significance of such deviations. If the deviations are not significant then Verve Energy strongly suggests that this issue be included in the package of changes currently dealt with by the Market Rules Design Team as an immediate concern issue.

Verve Energy makes the observation that the current drafting of the amendment to clause 6.17.4 could result in a Market Generator not having to pay for its under production beyond the Facility Dispatch Tolerance. Verve Energy would like to clarify that this is the intent of the Rule Change Proposal.

Figure 2 of the Rule Change Proposal provides an example of how the Rule Change proposal could work in the instance of a complete forced outage. Verve Energy would like to make the point that IPPs may incur a 30% premium on MCAP in a forced outage situation but the cost to supply at short notice under balancing could be significantly higher than MCAP as an OCGT could be required given the short notice.

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

Clarification of issues raised in Section 1 is required before Verve Energy can make a full assessment against the Market Objectives.

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.

No impact is expected.

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

Not applicable.
