
Wholesale Electricity Market Rule Change Proposal Submission Form

RC_2010_23 Consequential Outage - Relief from capacity refund and unauthorised deviation penalties

Submitted by

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Submission

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

Synergy supports, via the Fast Track Rule Change Process, Rule Change Proposal RC_2010_23, which acts to ensure that a Facility that suffers a Consequential Outage due to another Rule Participant's equipment suffering a Forced Outage is relieved from capacity refunds and from penalties for unauthorised deviations. This Rule Change Proposal will ensure that the Facility's Dispatch Schedule is adjusted for the relevant Trading Intervals to account for the Consequential Outage.

Synergy recognises that such events are most likely to occur as a result of a transmission outage, forcing, either partially or fully, a generator out of service. Under these circumstances the availability of the generator is not in question and hence it should not be penalised via capacity refunds. Although the market may suffer as a result of the Consequential Outage it should be attributed to a transmission failure and not to a generator failure.

Synergy contends that no end user benefit is achieved by charging refunds related to Consequential Outages and so supports this rule change via the Fast Track Rule Change Process to avoid such events resulting in capacity refunds for the coming summer.

Synergy notes that the Rule Change Proposal as drafted would allow a generator producing below its Consequential Outage to correct its Dispatch Schedule to avoid refunds for that difference. Synergy understands that System Management are reviewing this part of the proposed rule change and considers that the final drafting of this rule change will need to have this loophole removed before final approval can be assessed.

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

Synergy believes that the proposed changes will better facilitate the achievement of Market Objectives (a), (b) and (d):

(a) *to promote the economically efficient, safe and reliable production and supply of electricity and electricity related services in the South West interconnected system;*

(b) *to encourage competition among generators and retailers in the South West interconnected system, including by facilitating efficient entry of new competitors;*

(d) *to minimise the long-term cost of electricity supplied to customers from the South West interconnected system.*

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 would not require any changes to IT or business systems, nor incur any organisational costs as a consequence of adopting the proposed change.

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

Synergy would be able to implement this rule change immediately.
